

Iran Warns U.S. Against 'Adventure' After Shultz's Warning on Terrorism

TEHRAN — Iranian leaders warned the United States on Monday against any "adventure" after Secretary of State George P. Shultz said that U.S. forces might carry out pre-emptive strikes to prevent attacks on American troops in Lebanon.

President Hajjotalestan Ali Khamenei said that Iran would reply to any "adventures," which the speaker of Iran's parliament, Hashemi Rafsanjani, said would endanger U.S. interests throughout the Middle East.

Tehran radio quoted Mr. Rafsanjani as telling the parliament, or Majlis, that the United States seemed about to start new "adventures" in the region.

"The pretext is that planes flown by suicide pilots — according to them, of course — are planning to

attack their vessels in the Mediterranean and elsewhere," Mr. Rafsanjani said. "We consider these moves as adventurous actions. If such adventures come about, then, truly, U.S. interests all over the region will be endangered."

Mr. Shultz said Sunday that the United States might strike to forestall kamikaze-style attacks on American ships off Lebanon and in the Gulf. U.S. officials said foreign planes and ships had been warned to stay at least five miles (eight kilometers) from U.S. vessels.

[The Reagan administration officially designated Iran as a terrorist nation Monday, declaring that the government of Ayatollah Ruhollah Khomeini had "repeatedly provided support for acts of international terrorism," The Associated Press reported from Washington.]

[Iran joins Syria, Cuba, Libya and South Yemen on the list of

countries that are subject to rigid export controls.]

[The State Department spokesman, John Hughes, said the action would not affect U.S. imports of Iranian oil. Oil imports resumed in 1982 and amounted to about 500 million barrels last year.]

Mr. Rafsanjani said that either the United States was having nightmarish delusions or there was a "plot to stop this profound Islamic movement making its mark in the western parts of the Islamic world," an apparent reference to Lebanon.

"If the U.S. planners and policymakers... should be tempted to carry out adventures in this region," Tehran radio quoted him as saying, "we will not leave them unopposed."

[The French Defense Ministry said Sunday that "measures have been taken to ensure the safety" of French ships stationed off the Lebanese coast. The Associated Press reported from Paris.]

[The ministry gave no details about the measures, but it was apparently responding to reported threats of suicide air attacks by pro-Iranian extremists against the multinational force in Lebanon, which includes the United States, Britain, Italy and France.]

■ **Comparison by Moscow**

The Soviet news agency Tass compared U.S. preparedness for pre-emptive strikes against suicide pilots in the Middle East to the Soviet downing of a South Korean airliner in September, United Press International reported Monday from Moscow.

Mr. Mitterrand's spokesman, Michel Vauzelle, called the talks "a first feeling of the pulse" and described them as taking place in a "studious, good, working atmosphere."

The talks were held at Marly-le-Roi, near Paris.

Mr. Vauzelle said that the two leaders also surveyed world problems, including the Middle East and East-West relations.



President François Mitterrand of France conferring Monday with Prime Minister Margaret Thatcher of Britain near Paris. The man in the background is an interpreter.

Mitterrand and Thatcher Meet in France to Discuss EC

The Associated Press

PARIS — Prime Minister Margaret Thatcher of Britain met with President François Mitterrand of France for two and a half hours Monday to discuss major problems of the European Community.

Mr. Mitterrand's spokesman, Michel Vauzelle, called the talks "a first feeling of the pulse" and described them as taking place in a "studious, good, working atmosphere."

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The meeting was the first of a series that Mr. Mitterrand plans to hold with leaders of nine other EC nations before the start of a March 19-20 summit conference, Mr. Vauzelle said.

The president is scheduled to confer Feb. 2 with Chancellor Helmut Kohl of West Germany in Ludwigshafen, West Germany. On Jan. 1, France took over the presidency of the Common Market for six months.

Mrs. Thatcher left immediately after Monday's talks to return to London.

The meeting coincided with one held by EC foreign ministers in Brussels to discuss ways of solving the trading bloc's financial crisis.

The European Community dispute is linked to Britain's demand for a change in the revenue-raising system because it claims to pay about \$800 million more into the organization's budget than it receives in benefits.

The European Parliament froze a budget rebate of \$640 million to Britain when it adopted the 1984 budget in December.

Last week, French farmers seized two British truck drivers transporting lamb into France. The incident caused an uproar in Britain and Mr. Mitterrand fired the head of the government department where the incident took place.

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In Paris, a spokesman for the Patronat, the French industrialists' association, criticized the measures as "making trade more difficult."

The new reporting requirements would "make it easier for the United States to monitor our export successes and take counteraction," the spokesman added.

The proposed restrictions are seen by European officials as reflecting U.S. concern that the Soviet Union will try increasingly to acquire sophisticated Western equipment from Third World sources as the NATO countries and Japan negotiate tighter curbs on strategic exports through the Paris-based Coordinating Committee on Exports to Communist Areas. The committee regulates trade with Eastern Europe and the Soviet Union.

■ **Tightening of Rules Seen**

William T. Archey, acting assistant secretary of commerce for trade administration, described the proposed changes in export rules Monday as a "clear tightening," which, if made final, would restore the rules to what they had been until the early 1970s. The New York Times reported from Washington.

"We are genuinely trying to balance the facilitation of trade with the interests of national security," Mr. Archey said. "We have to have some kind of where the sophisticated products might end up."

Europeans Angry Over U.S. Moves For New Technology-Export Curbs

By Paul Lewis

New York Times Service

PARIS — European industrialists and government officials have reacted angrily to new U.S. moves intended to stop militarily useful technology from being diverted to the Soviet bloc from countries outside the Western alliance.

The executives said the proposed export rules would make it harder for European companies to buy high-technology items from the United States or to acquire licenses to produce such equipment themselves.

They also complained about proposed reporting requirements that would apply to foreign companies buying such equipment. And they charged that the rules could give their American rivals a competitive advantage in some markets by disclosing the identity of the clients of European companies.

The proposed rules, announced last week by the Commerce Department, seek to prevent the resale of sensitive high-technology goods to countries other than the 16 members of the North Atlantic Treaty Organization, Japan, Australia or New Zealand. Japan and the NATO members already honor a joint embargo on strategic goods against the Soviet bloc.

The rules would restrict the use of general distribution licenses, under which U.S. companies are given blanket permission to export goods to a foreign buyer for up to two years at a time.

In the future, such licenses would be refused for a range of new

technologies, including equipment for making semiconductors, electron beam recorders, lasers and some small computers, when the goods are destined for countries that do not subscribe to the NATO-Japan embargo, except Australia and New Zealand. In such cases, foreign buyers would need an individual license for each export shipment.

In addition, all buyers of restricted American equipment would have to report on a quarterly basis the identity of their final customers if they are in other countries. In political terms, European officials say, the proposed regulations raise the issue of Washington's right to force foreign companies to respect U.S. laws outside the United States.

"This could be a case of our businessmen being asked for their professional secrets by a foreign government," a French official said.

The question of the "extraterritorial reach" of U.S. laws was the basic issue behind the controversy over the Soviet gas pipeline embargo two years ago, when the Reagan administration tried to stop European companies from selling pipeline equipment that incorporated American technology.

Late last week, the Confederation of British Industry issued a statement saying that, while it agreed with Washington's aims, "we object to broad announcements extending United States jurisdiction over British companies outside United States territory."

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Lebanese Weakness Said to Surprise U.S.

(Continued from Page 1)

dor to Egypt, for comment were unsuccessful.

"We knew the army was bad," said the senior State Department official who was involved in the Middle East diplomatic efforts of Philip C. Habib and Morris Draper. "The report said it would take two to three years to bring the army up to caliber, but that wasn't necessarily in conflict with our projections on withdrawal of the Marines because there was one brigade that was supposed to be good."

The Bardet report said the army could conceivably take over internal security after 18 months of training, and it could patrol Lebanon's borders after 30 to 36 months if the foreign forces withdrew and factional militias disbanded.

The officials also said that the United States, in its rush to deploy the Marines, did not consult with most of the leaders of Lebanon's religious factions to discuss the Marine mission and learn of any concerns the factional leaders might have.

Before the first Marine deployment in Beirut for the PLO withdrawal, Mr. Draper made an effort to consult with all the factional leaders to obtain assurances that they would not interfere.

A senior State Department official said he assumed at the time the second deployment was being planned that the earlier direct con-

sultations would be sufficient. But now he realizes, he said, that "if we had talked to all of them the second time, it's possible we could have created a better understanding of our mission and avoided some of the problems and misunderstandings that occurred later."

In the 48 hours between the discovery of the killings at the refugee camps and the announcement that the Marines would be deployed, said a senior U.S. diplomat, "We did go talk to the leaders of the Phalange, the Christian militia responsible for the massacres."

"I think the Lebanese government talked to the others, the Shia and the Druze and the rest," he added, "but I don't really know how that was done or if it was done."

On the question of the diplomats' overconfidence, a senior U.S. diplomat who was in Beirut in September 1982 said, "Habib was just amazingly optimistic about when the withdrawals of forces could be brought about."

Mr. Habib declined to be interviewed. "I am not of it; I don't care," he said. "And I don't want to get into shouting matches."

One matter on which Mr. Habib and other officials were said to be overconfident was the prospect that Syria would withdraw.

The senior official attached to the Habib-Draper mission said that U.S. officials predicted in September 1982 that foreign forces

would be out of Lebanon by the end of the year.

However, as early as late September, Mr. Veluties told a congressional committee that he understood the Soviet Union was resupplying the Syrians with arms "on a rather large scale."

And by May 1983, when the Lebanese and Israelis finally reached agreement, "it was absolutely disingenuous to assume that the Syrians would ever like or accept that agreement and withdrawal," a State Department official said.

Nonetheless, Mr. Shultz handled the negotiations between Lebanon and Israel during the final days, despite the advice of several U.S. ambassadors in the region.

In late April, he attended a meeting in Cairo with most of the U.S. ambassadors in the area. "Shultz was absolutely shocked by the negativism of the people there over the proposed treaty," according to one official. Another who attended the session said: "We told him it would never work. We advised Shultz to disassociate himself from it."

Mr. Shultz declined through a spokesman to be interviewed.

The agreement said, in part, that Israel would withdraw from Lebanon if Syria did. But the senior official closely associated with the Habib-Draper mission said, "when we signed the agreement, we knew the Syrians would hold out, at least for a year or two."

Moscow Remains Silent On Europe Troop Talks

Reuters

MOSCOW — The Soviet Union had no reaction Monday on the U.S. announcement that the East-West talks on reducing conventional forces in Europe would resume. Western diplomats here said the Soviet diplomats here said the talks might be an attempt to improve Moscow's image in the West.

George P. Shultz, the U.S. secretary of state, announced Sunday that the two sides would reconvene the mutual and balanced force reduction talks in Vienna on March 16. Moscow did not report Mr. Shultz's remarks and made no comment about them.

Western diplomats said the Kremlin's agreement to return to the talks did not appear to mark a turnaround in the Soviet attitude toward the United States and was unlikely to mean an early return to negotiations on nuclear weapons.

"Moscow's primary concern here may well be with its image. The Russians may feel they look too much as if they are cutting off all dialogue with the West," a diplomat said.

Moscow suspended the Vienna talks on troop reductions late last year after walking out of two other sets of negotiations with the United States, the talks on medium-range and strategic nuclear weapons.

The moves followed the arrival of the first of 572 new U.S. missiles to be deployed by the North Atlantic Treaty Organization in Western Europe.

The Vienna talks are aimed at cutting troops and conventional weapons in Central Europe to a common ceiling. Those negotiations have no connection with the nuclear arms negotiations in Geneva.

Diplomats said they did not believe that a return to the Vienna forum in any way signaled a willingness to go back to the Geneva

talks, a view that was also expressed by U.S. officials in Washington on Sunday.

"I see no sign of a real softening in the Soviet stand at the moment, and their attitude suggests they will stay away from the nuclear missile talks for a long time," a diplomat said.

Moscow has declared that NATO's deployment of U.S. cruise and Pershing-2 missiles has destroyed the basis for discussing cuts in nuclear arms levels.

Some Western officials said they perceived a more conciliatory Soviet approach last week as the European disarmament conference began in Stockholm.

The Soviet press, however, has maintained a stream of harsh attacks on the United States over the past week and forcefully reaffirmed its stand on the missile question.

■ **Arabs, Israel Address Talks**

Arab states and Israel addressed the disarmament conference in Stockholm on Monday as it prepared to hear NATO and Warsaw Pact proposals on ways of building mutual military confidence, Reuters reported.

A senior Algerian official was the first representative of nonparticipating Mediterranean countries to speak to the conference behind closed doors. Diplomats from Egypt, Israel, Lebanon, Libya, Morocco, Syria and Tunisia were to follow.

The 35-nation conference, whose first session is scheduled to start until March 16, includes NATO and Warsaw Pact countries and neutral European countries.

NATO countries are expected to make their proposals on European security Tuesday, but Warsaw Pact states were likely to hold their back for a few more days, Western delegates said.

Lightning And Sorcery

(Continued from Page 1)

is true. The witch doctors can snuff out the wizard in many ways. Even a thief can be caught."

Should a person steal a watermelon, for instance, the owner will consult the witch doctor, who in turn will throw his bones and concentrate on the lost fruit.

"Even if he is 50 miles away," he said, "the thief will then return and come to the witch doctor, who will touch the melon where it has been cut and free the thief of the spell."

Or a man might cause a spell to be cast on another. The accused will send it back to its originator.

The fear of such repercussions provides a form of social regulation. Punishment is deemed to be inescapable.

A person, Cornelius said, might buy a wizard's skill on an initiate and bring down lightning on another. The witch doctor will then be consulted and might produce a mirror, the modern equivalent of a shiny stone from the riverbed.

"When you look in the mirror," Cornelius said, "you do not see your own face, you see the face of the wizard."

The person thus detected must then be burned — not, it seems, out of any conscious sense of barbarity, but because death has been caused by the lightning's sudden combustion.

"Fire," Cornelius said, "is the only answer to fire."

Bus Crash Kills 41 in India

The Associated Press

NEW DELHI — A newlywed couple were among 41 members of a wedding party killed last Sunday when a bus ran off a bridge and plunged into a creek, the authorities said Monday. Twenty-five people were reportedly hospitalized.

An official spokesman said the bus was carrying 67 passengers along with its licensed capacity was 39.

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WORLD BRIEFS

Shamir Warns Kohl on Saudi Arms

HAMBURG (Reuters) — On the eve of Chancellor Helmut Kohl's visit to Israel, Prime Minister Yitzhak Shamir of Israel expressed concern Monday over West German military cooperation with Saudi Arabia.

"We cannot permit German weapons to be deployed by Arab states against the Jewish state," Mr. Shamir said in an interview with the West German magazine Stern. Describing his country's problems with Germany as "a historical fact," he said, "We cannot forget, and we will not forget."

Mr. Kohl, who discussed arms sales during a visit to Saudi Arabia last October, said afterwards that he had made no commitment to sell high-powered Leopard-2 battle tanks, which are considered offensive weapons. But government sources said West Germany was ready to consider any request for "defensive weapons." They said these might include the Gepard anti-aircraft tank, the Roland ground-to-air missile and the Marder armored personnel carrier.

Israel Said to Oppose U.S. on UN Unit

LONDON (AP) — The Israeli government made "strenuous efforts" to stop the United States from announcing that it would leave UNRDO, a British newspaper reported Monday. It said U.S. federal agencies, diplomatic missions and professional organizations also opposed the announcement of withdrawal.

In a story from Washington, The Guardian said it obtained confidential State Department documents detailing the disagreements. The newspaper said that, according to a State Department memorandum, Israel's concern was that once the United States was absent from UNRDO, Israel would be ejected.

The report said the memo was sent Dec. 16 to Secretary of State George P. Shultz by Gregory J. Newell, assistant secretary of state for international organizations. It was dated two weeks before formal notice of withdrawal was given by Mr. Shultz to the Paris-based United Nations Educational, Scientific and Cultural Organization.

Norway Weighs Damage Done by Spy

OSLO (Reuters) — Norwegian leaders said Monday that alleged spy spying for Moscow by a Foreign Ministry official had harmed the nation's interests and possibly its defense.

Prime Minister Kaare Willoch said at a news conference that the activities of Arne Treholt, 41, who was arrested Friday as he was about to leave the country, were of a very serious nature. Moscow must take full responsibility for the damage done to the two nations caused by the case, Mr. Willoch said.

Foreign Minister Sverre Stray said it could not be ruled out that the Soviet Union knew the Norwegian position in advance when they were negotiating important agreements.

European 'Greens' Form Alliance

BRUSSELS (Reuters) — Eight West European ecology parties Monday announced the formation of an alliance that intends to contest elections for the European Parliament in June on a common platform.

The movements in the alliance are Belgium's Agalew (Flemish), the Ecologist Party (French), the Green Party (German), the Green Party (Dutch), the Green Party (Austrian), the Green Party (Swedish) and Alternativa (Spanish).

In a statement, the European "greens" called for decentralization of institutions, constant dialogue between citizens and decision-makers, free access to all official documents, referenda at the will of the people and the granting of the vote to immigrants.

Abortion Foes Rally in Washington

WASHINGTON (AP) — Tens of thousands of abortion foes rallied here Monday as leaders of their movement pledged to support President Ronald Reagan's re-election bid and work to defeat six senators who oppose their position. Members of the National Organization for Women picketed local Republican Party offices to protest the president's abortion position.

The "march for life" marked the 11th anniversary of legalized abortion. Beforehand, 30 of the march leaders met with Mr. Reagan at the White House. On Sunday, demonstrations brought out thousands in New York, Denver, Los Angeles and other cities. Mr. Reagan had proclaimed the day as National Day of Prayer for the Unborn Child.

The six senators the anti-abortionists hope to defeat are Mark S. Long of Montana; David H. Pryor, Democrat of Arkansas; Charles H. Percy, Republican of Illinois; Nancy L. Kassebaum, Republican of Kansas; William S. Cohen, Republican of Maine; and Carl M. Levin, Democrat of Michigan.

2 Ask Asylum at U.S. Embassy in Paris

PARIS (WP) — Two Soviet citizens sought political asylum at the U.S. Embassy in Paris last week and have been transferred to a refugee camp in West Germany, French officials said Monday.

The first of two separate incidents involved a junior diplomat, Yury Chankin, 32, who was working for the commercial section of the Soviet Embassy here. He went to the U.S. Embassy on Wednesday. Shortly after the death penalty in a case was being reviewed.

In an unrelated case Thursday, Igor Iegorov, 26, a third officer with the Soviet cargo ship docking at Marseille, made his way to the U.S. Embassy and asked for asylum. Soviet and East European political refugees are normally held in camps in West Germany for several months before a hearing before being allowed to settle permanently in the West.

U.S. Congress Receives Arms Report

WASHINGTON (AP) — President Ronald Reagan has sent a report to Congress accusing the Soviet Union of violating seven provisions of arms control agreements and told Congress that this "raises doubts about the reliability of the U.S.S.R. as a negotiating partner."

The violations include testing a new intercontinental-range missile, building an antiballistic missile radar system, using chemical weapons and testing nuclear devices more powerful than allowed by treaty.

The White House provided reporters with a public version of the report classified noncompliance report that Mr. Reagan sent to the Capitol. It repeated a list of violations that a senior administration official, speaking on condition that he not be identified, had outlined for reporters 10 days ago.

Washington (UPI) — Charles Z. Wick, director of the U.S. Information Agency, violated federal regulations by secretly recording telephone conversations and was warned against such action on Dec. 19, 1981, the General Services Administration said Monday.

Frank Carr, assistant administrator of the GSA, an arm of Congress, said in a letter to Mr. Wick that the information agency "has failed to implement the Federal Property Management Regulation relating to the listening-in and recording of telephone conversations." Among its duties, the GSA is responsible for ensuring that government agencies and employees comply with regulations for the management and use of federal telephones and records.

The U.S. regulation forbids recording telephone conversations except both parties agree to the taping or the taping is done for special reasons such as intelligence, law enforcement or public safety.

For the Record

The Smithsonian Institution has appointed Robert McCormick Adams as secretary of the institution, the world's largest complex of museums and art galleries. Mr. Adams, 57, provost of the University of Chicago, will succeed S. Dillon Ripley, 70, who will retire in September after more than 20 years as chief administrator of the Smithsonian. (AP)

West Germany filed terrorist charges Monday against Gladys Davis, who is accused of having given U.S. military data to the terrorist Red Meinhof gang while she was working at a U.S. Army base. The charges, participation in a bank robbery, forgery and violation of weapons law. (AP)

Chancellor Helmut Kohl will visit Washington for three days beginning March 3 with his foreign minister, Hans-Dietrich Genscher, for talks with President Ronald Reagan, the West German government announced Monday. (UPI)

Pope John Paul II will make an official visit to Peru during the next 18 months. The office of Fernando Belaunde Terry issued the statement following local news reports quoting Vatican sources as saying that the pontiff would visit Peru, Chile and Argentina in the next few months. (Reuters)

The U.S. Communist Party nominated its general secretary, Gus Davis, 73, and Angela Davis, 39, the black activist, as its candidates for president and vice president Monday and called for a reversal of President Reagan's domestic and foreign policies. Mr. Hall and Miss Davis together in 24 states and the District of Columbia in 1980. (AP)

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Britain Decides It Must Give Up Hong Kong Rule

By R.W. Apple Jr.

New York Times Service

LONDON — Prime Minister Margaret Thatcher has concluded that there is no chance of Britain's retaining administrative control over Hong Kong after 1997, the year that the lease on part of the colony is due to expire, government officials have disclosed.

But while saying Sunday that Mrs. Thatcher had already made a decision, the officials said they could neither confirm nor deny a report in The Sunday Times of London to the effect that Britain told the Chinese in mid-December, on the personal instructions of the prime minister, that it was prepared to drop its original insistence on retaining administrative control for an indefinite transition period in return for Chinese promises of a capitalist future for Hong Kong.

But the officials said they agreed with independent British experts on the Far East that the account given by the newspaper could well be correct.

that a framework for an agreement was within the grasp of the negotiators. This had been made possible, they said, by Mrs. Thatcher's conclusion that she could do little more than press for the best guarantees available from the Chinese concerning the future of the colony's five million people.

In an interview with the magazine *Liaowang* last week, Ji Pengfei, China's state counselor with special responsibility for Hong Kong, said that Beijing was prepared to create a "special administrative region" that would be run by Hong Kong Chinese, with only military and foreign policy issues to be taken over by the central government in Beijing.

He pledged that Hong Kong's free market would be permitted to continue to operate, with the Hong Kong dollar remaining in circulation and freely convertible. The stock exchange and the gold markets, he said, would also continue to operate, as would the "free port."

In addition, Mr. Ji spoke of maintaining the Hong Kong legal system, the institution of private property, limited free speech and freedom of entry and exit from the region.

About a third of China's foreign exchange is earned through the colony, and Beijing is believed to be sufficiently eager to maintain that asset to permit, at least for the short term, the existence of an anomalous area within its borders. The question for Britain is how seriously such guarantees should be taken.

During his recent visit to the United States, Zhao Ziyang, the Chinese prime minister, said Hong Kong's economic and social systems would remain unchanged for 50 years after China took over. But many British politicians are concerned about what will happen to such assurances after the death of the principal Chinese leader, Deng Xiaoping, who is 79. Many have cited the forcible Chinese interventions in the internal affairs of Tibet, technically an "autonomous zone,"

down badly with significant parts of the population in spite of loyal propaganda efforts by the local authorities.

The new Soviet weapons are being sent to East Germany and Czechoslovakia in retaliation for the deployment of the Pershing-2s in West Germany.

East German officials, as a result, have lost some more of their already severely limited margin of maneuver between Soviet strategic needs and the mood of the population anxious for greater freedom, these West German sources say.

The embassy incident was made more difficult by the fact that the fugitives had sent a letter to President Ronald Reagan and a denunciation of the oppressive character of the Honecker government to Western news organizations.

West German and allied diplomats feared that this would make it impossible for the East German authorities to accept the loss of face involved in letting the six leave.

But the Honecker government apparently decided that a long period of friction and embarrassment with six persons on a hunger strike inside the embassy would be more damaging than a quick solution.

Swift Action on Refugees Surprises Germans

By Henry Tanner

International Herald Tribune

BERLIN — East Germany acted quicker than anyone in this city had expected when it granted permission Sunday night for six of its citizens to emigrate to the West. It was barely 48 hours after they had sought refuge in the U.S. Embassy in East Berlin.

The speed of the East German action is seen here as reflecting the depth of the desire of Erich Honecker, the East German leader, to keep relations between the two Germanys from being damaged by the deployment of Pershing-2 missiles in West Germany and the walkout of the Soviet delegates from disarmament talks.

Since the West German government of Chancellor Helmut Kohl had also made it one of its prime objectives to isolate the East German-West German relationship from tension between the superpowers, the incident came at the worst possible time for both German governments.

The Honecker government kept the case completely out of its own news media and put it into the hands of an East German lawyer

who has often acted as a go-between when the East Germans have permitted West Germany to ransom dissidents.

The most recent ransom case on a major scale occurred last summer when about 80 persons were bought out and reached the West shortly after Franz Josef Strauss, the Bavarian state premier, had engineered a loan of one billion Deutsche marks (then about \$388 million) to East Germany.

Although it is not apt to be announced, it is thought likely that ransom money may have been involved in this case, too.

The expectation in West Berlin is that the six fugitives by making their flight public have made it impossible for others to take similar routes through foreign embassies.

Western embassies in East Berlin are under constant police surveillance, but visitors as a rule have not been questioned before entering.

On many occasions, however, both foreigners and Germans have been stopped after leaving an embassy, by a policeman halfway down the block and asked for their papers. Western diplomats now expect a system where visitors will be screened as they approach the buildings.

Die Welt, the strongly pro-government newspaper in Bonn, wrote before the release of the six that the behavior of the East German authorities would be regarded by West Germany as a "test of the East-West climate after the Stockholm security conference."

The West Germans attached greater expectations to the Stockholm conference than other Western powers; Bonn regards itself as the center of the East-West storm and deeply hopes for a resumption of the U.S.-Soviet dialogue on arms control and other issues.

Foreign Minister Hans-Dietrich Genscher was one of the most active diplomats in Stockholm. He has been praised by German newspapers as being instrumental in making possible the meeting between Secretary of State George P. Shultz and Foreign Minister Andrei A. Gromyko.

On his side, Mr. Honecker is quoted as having told an official West German visitor last fall that the main task of the German governments was to exert a moderating influence on the superpowers.

According to West German reports from East Germany, Communist officials have publicly condemned the arrival of new Soviet SS-20 missiles last month as gone

down badly with significant parts of the population in spite of loyal propaganda efforts by the local authorities.

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Bonn Attempts to Smooth Over General's Firing

By James M. Markham

New York Times Service

BONN — Chancellor Helmut Kohl's government appeared to be on the defensive Monday as it struggled to justify the removal of one of West Germany's most senior generals on the ground that he is a homosexual.

Attempting to smother a burgeoning scandal, Defense Minister Manfred Wörner said he hoped to meet personally with the officer, General Günter Kiesling, whom he removed last month from his post as deputy to General Bernard W. Rogers, the supreme commander of the North Atlantic Treaty Organization.

The inspector-general of the West German armed forces, Wolfgang Alenbach, announced that he was convoking a score of the nation's most senior commanders Tuesday to discuss the dismissal. The inspector-general said that if General Kiesling proved that the charges were false, "he must be rehabilitated."

During two days of testimony before a parliamentary subcommittee last week, Mr. Wörner was hard put to come up with persuasive evidence that General Kiesling had frequented homosexual haunts in Cologne as alleged by West German military counterintelligence.

General Kiesling, 58, filed suit against the defense minister in an effort to gain full access to the information against him and in force Mr. Wörner to admit that he erred in firing him.

Hans-Jochen Vogel, the leader of the opposition Social Democratic Party, has demanded Mr. Wörner's resignation. Otherwise, he said, the

Social Democrats will press the case through a parliamentary inquiry committee, which appears as if it will focus as much on military counterintelligence operations as on the general's firing.

Mr. Kohl's spokesman, Peter Boenisch, tried to deflect attention from Mr. Wörner to military counterintelligence by suggesting that the organization "should harm the enemies of the republic and not the republic and its ministers. Yesterday the Social Democrat Leber, today the Christian Democrat Wörner. That is simply too much."

Mr. Boenisch was referring to a 1978 scandal, in which Defense Minister Georg Leber was forced to resign after it was disclosed that military counterintelligence had engaged in illegal eavesdropping.

Mr. Boenisch denied reports that Mr. Wörner had told Mr. Kohl that he was willing to resign and said he had submitted "no formal offer of resignation."

"Helmut Kohl doesn't push anyone out of the airplane," said Mr. Boenisch.

But politicians noted that relations between the chancellor and his defense minister have never been particularly cordial and that if the Kiesling problem gets much hotter, Mr. Wörner might have to resign.

However, with corruption

charges already leveled against Economics Minister Otto Lambsdorff, Mr. Kohl is thought reluctant to make any move that could permit Franz Josef Strauss, the Bavarian conservative, to demand a cabinet post. (In 1962, Mr. Strauss himself had to resign as defense minister after ordering a raid on the offices of the Hamburg weekly *Der Spiegel*.)

Mr. Strauss, who is minister-president of the Bavarian government, has expressed his skepticism about the allegations of homosexuality against General Kiesling. After speaking with him, Mr.

Strauss observed that the general would have to be "a very good actor" to have insisted with such vehemence that he was not a homosexual.

Although appointed to his NATO post when the Social Democrats were still in power, General Kiesling is reliably reported to be fairly close to Mr. Strauss's political views.

One of the general's predecessors in the NATO post, Gerd Schmückle asserted Monday that many officers believed that General Kiesling had been wronged and were writing him letters of support.

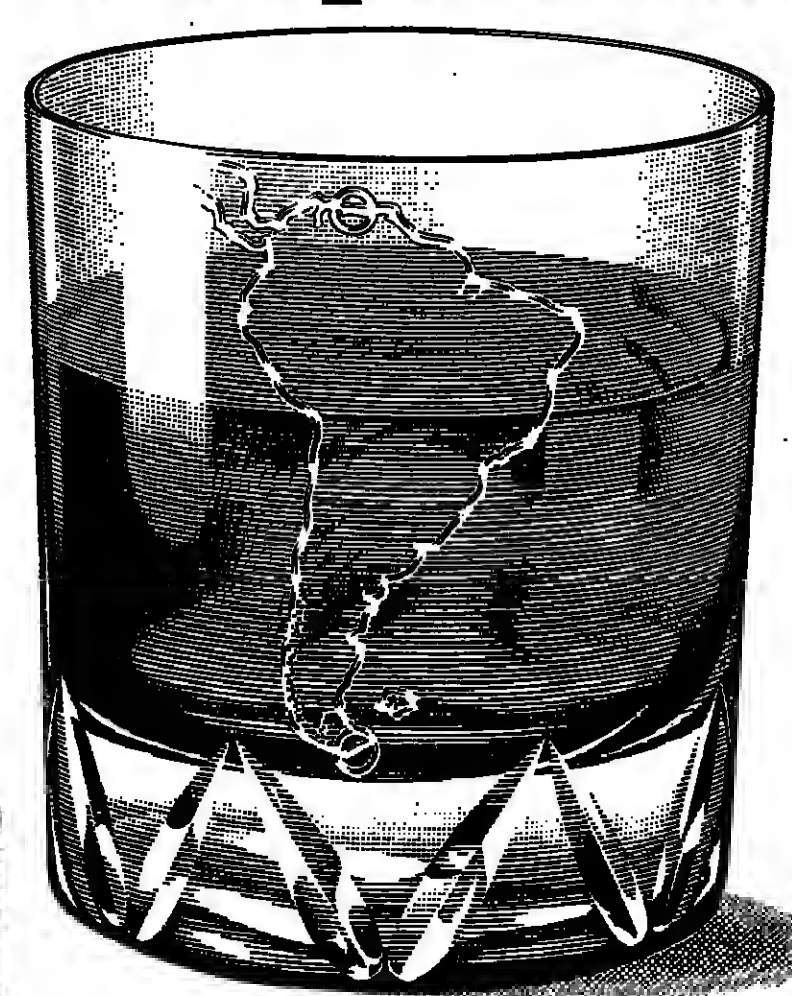
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Lech Walesa, leader of Solidarity, was cheered at St. Mary's Cathedral in Gdansk after a special Mass Sunday. Demonstrators then held a protest of planned food price increases.

Communist Party in Poland Rejects Unions' Criticism of Food Price Rises

Warsaw —

Criticism by the new trade unions of scheduled food price increases was rejected Monday by the Communist Party newspaper, which said the increases should have been twice as high and should have taken effect six months ago.

The newspaper, *Trybuna Ludu*, commenting on the decision to raise prices an average of 10 percent beginning next Monday, said Poles should brace themselves for more increases, which it said are needed to offset farm subsidies.

Leaders of Poland's new trade unions, which replaced the banned Solidarity union, criticized the increases at a meeting in Cracow last week and said they would oppose further increases on such a scale.

Their comments were given wide publicity in the official press, but what informed sources said was an attempt by the government to establish the new unions' credibility.

The government reduced its initial proposals for increases in food prices after complaints that they would inflict excessive hardship on

the neediest, such as retired people and low-income workers.

Previous attempts to raise food prices have provoked unrest, and in July 1980 they were a factor in provoking the nationwide strikes that led to the formation of Solidarity.

In contrast to the past, however, when increases were often announced without warning, these measures have been preceded by consultations with the public that the government says revealed support for small, gradual increases.

The article in *Trybuna Ludu* said the increases "should have amounted not to an average 10 percent, but to almost 20 percent."

"Moreover, they should have taken effect half a year ago, when the government raised its purchase prices for farm products," it said.

In July, the government agreed to pay farmers at least 20 percent more for products such as wheat, barley, live pigs, calves and milk.

Western economists say the increases to be imposed next week will account for only a proportion of the extra money the government

was obliged to find in July and will ensure that subsidies hamper the economy.

To cushion the effect of the increases, the government has said it will increase family allowances and give the equivalent of \$360 to the poorest pensioners this year.

However, prices for pork chops will rise by 23 percent to the equivalent of \$4.70 a kilogram (\$2.14 a pound) and ham 41 percent to \$7.80 a kilogram. Both are favorite foods in Poland.

Poles earn an average of about \$32 a week.

Solidarity Being Hunted
Police have stepped up their fight against Solidarity underground groups, which are spreading in rural areas. United Press International quoted the government-run newspaper *Zycie Warszawy* as saying:

For Families of U.S. Murder Victims, Increase in Executions Brings Relief

By Fay S. Joyce

New York Times Service

ATLANTA — Charles Abell can't remember what he felt when he arrived home from work one evening to learn that his father had been murdered. He remembers only that he wanted to see his father again; that he had to go see the body, and that he did see it, bloodied and limp, in an old farmhouse in Georgia.

"I went in, sat down beside him and prayed with him," Mr. Abell said. "Then I went to tell Maamma."

Mr. Abell, a big, beefy 37-year-old man with a slow, country way of talking, represents a rarely noted viewpoint in the debate over the rising use of the death penalty in some American states.

His memories of his father, Roy, are, however, snapshots: the time Roy Abell bought a ring and hid it in the toe of a new pair of shoes as a Christmas present for his wife; the way he would stop by Charles's house and take his young granddaughter for a ride to his farm in his truck; how he hunted and fished but mostly worked hard as a contractor in Macon, Georgia. And perhaps most of all, he remembers the security that vanished so abruptly nine years ago.

"Daddy was there whether you needed him or not," Mr. Abell said. "I probably didn't move growing up then I had in a long time."

The last house Roy Abell built was the one Charles and his wife lived in, the one Roy Abell drove up to and found two men burglarizing. The men apparently forced Roy Abell back into his truck and drove with him into the countryside. He tried to escape by running to an old farmhouse, and the burglars chased him down. One of them shot him to death with a gun stolen from Charles Abell's home.

"Daddy was recovering from a tractor accident," said Mr. Abell. "He broke his pelvis in five places; he could hardly walk. He could hardly resist them. They did not have to kill him. They had his car, his money. It was just a brutal crime."

Alpha Otis Stephens was caught, tried, convicted of killing Mr. Abell and sentenced to die in Georgia's electric chair.

Last month the U.S. Supreme Court stayed Mr. Stephens's execution and deferred ruling on claims he has made of racial discrimination, pending an appeals court ruling on the legal admissibility of a study that purports to show that killers who murder whites receive the death penalty more often than those who kill blacks. Mr. Abell was white; Mr. Stephens is black.

"It's frustrating because as long as the state prolongs the execution, we're continually reminded of the crime," said Mr. Abell. "Of course your life is never the same. I've been deprived of a father. My children have been deprived of a grandfather. My mother's been deprived of a mate. She's never married and all her people are in France; that's where she's from."

"My father was 49 when he was murdered," he continued. "He still had a lot of life in him."

High Court Ruling Backs Death Penalty

The Associated Press

WASHINGTON — The U.S. Supreme Court reinstated the death sentence of a California man Tuesday, ruling that convicted murderers may be sentenced to death even when state courts do not study what punishment was received by others who committed similar crimes.

By a 7-2 vote, the justices reinstated the death sentence of Robert Alton Harris, a convicted murderer. They said no "proportionality review" was required in his case.

The decision marked the high court's latest venture into the legal quagmire of capital punishment, but its ultimate effect on the nearly 1,300 men and women on death rows across the United States may take months to assess.

Justice Byron R. White, writing for the court, said the Constitution's protections against cruel and unusual punishment do not impose an absolute requirement that all death sentences be compared with penalties imposed in similar cases.

Mr. Harris was convicted of murdering two 16-year-old boys in San Diego in 1978.

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'Kean': A Case Study in Theater Costs

By Samuel G. Freedman

New York Times Service

NEW YORK — When the play "Edmund Kean," with Ben Kingsley, ran in London last year, the production cost the equivalent of \$30,000 and the top ticket price was about \$13. When the play and actor went to Broadway, the production cost \$150,000 and the best seat was \$32.50.

This is not an isolated example. Almost every play that moves to Broadway from the commercial theaters of London's West End is more expensive in New York, in many cases as much as five times more.

Most producers and theater owners in New York object to economic comparisons with London, arguing that the higher price of Broadway theater is consistent with the higher level of a variety of goods or salaries. Nevertheless, the disparity considerably exceeds the average difference in wages and the cost of living between England and the United States. Nor does the growing strength of the U.S. dollar in relation to the British pound account for the gap.

An examination of "Kean" provides some answers: higher salaries in labor and management in New York; more unionized jobs with less flexible work rules; higher costs for advertising and a greater use of it; and Broadway's tendency to stage more technically elaborate, and thus more expensive, productions. The effect is felt in ticket prices: \$45 top on Broadway and \$15 top in London, for plays.

"The costs in New York are so enormous," said Duncan Weldon, producer of the West End production of "Kean." "That's why half of your theaters are empty. Someone's got to do something about it soon, because going to the theater is a luxury item for the public."

But many Broadway producers and theatrical union officials argue that the higher costs in New York are justifiable. "The reason we don't have more shows going up," said Robert McDonald, a business agent for Local 1 of the International Alliance of Theater and Stage Employees, "is because we don't have the product."

When "A Chorus Line" raised its top ticket price to \$17.50, producers point out, there were predictions that the increase would drive off the audience; years later, with a top of \$45, the show runs on. "Cats" and "La Cage aux Folles" regularly sell out with a \$45 top, and scalpers sell tickets to hit shows at \$100 or \$200.

"It costs more to put on a play in New York and it always did," said Harvey Sabinson, executive director of the League of New York



Ben Kingsley was Kean in London (left) and New York.

Theaters and Producers. "There's the cost of labor, the cost of advertising. But everything costs more here than in London."

Yet producers and investors, as much as audiences, feel the effect of the higher costs in New York. Both the potential gain and the potential loss are much greater there. "Cats" cost almost \$1.1 million in London and \$5.3 million in New York. "Noises Off" cost \$75,000 in the West End and \$400,000 on Broadway. "The Real Thing" cost \$135,000 there and \$800,000 here.

"Kean," then, is typical of the most recent British imports in costing about five times as much to produce in New York.

"Kean" provides several bases for comparison. It had identical six-week engagements last year in London and on Broadway. It played in theaters of similar size, the 906-seat Haymarket in London and the 1,090-seat Brooks Atkinson in New York.

"Kean" was a small play — one set, one actor, a relatively small crew. It actually employed two more people in London than in New York — 37 to 35 — but in almost every job the American salary exceeded the British. And this disparity does not appear consistent with the general economic difference between England and the United States.

Estimates from a variety of government and private sources of the difference in wages and the cost of living between the United States and England range from 20 percent higher for the United States to 76 percent higher. The salaries in "Kean" on Broadway — and in

most other Broadway plays, governed by the same union contracts — generally ran 100 percent to 400 percent higher than in London.

The weekly minimum salary for an actor is \$610 on Broadway and \$180 in the West End. A stage manager of "Kean" made \$1,000 a week in New York and \$300 in London. A carpenter made \$658 a week in New York and \$324 in London. A press agent made \$914 a week in New York, \$225 in London. The box-office treasurer in New York made \$670 a week — \$30 less than the combined salaries for the four-person box-office staff in England.

The man who tended to Ben Kingsley's wig in the New York production, Joseph Dal Corso, was paid \$500 a week under a standard union contract, although the job required only about an hour a day. The wig man in London received \$140 a week for work on several shows, according to Anthony Peak, business manager of the Haymarket Theater.

The more sophisticated the physical production, the more is spent on materials and the more stagehands to be employed at union scale to construct, install and work the theatrical hardware. U.S. and English theater experts say this is an area of great financial difference between the commercial theater in London and New York.

"Kean" is not a good example in this case, since it involved only one set, a few props and relatively simple lighting. But other plays illustrate the point.

Bernard Jacobs, president of the Shubert Organization, said the group spent \$1 million redesigning the interior of the Winter Garden

Theater for "Cats," almost as much as the entire London production. The Shubert Organization and its co-producers spent thousands of dollars to mechanize the scenery for "The Real Thing," reducing to seconds the time needed to change sets. When Ronald Lee produced "Steaming" in New York, he spent \$80,000 on a set resembling a London bathroom, down to imitation tile and an arched ceiling. The cost of the entire London production, which had a much simpler set, was \$125,000.

"There's an aggrandizement of production costs here," said Alan Eisenberg, executive secretary of Actors Equity. "The costumes are richer. The scenery is more elaborate. And when we bring this up at negotiations, the argument comes back that this is what American audiences want."

"We have a degree of sophistication the British don't have," Jacobs said. "You can go to plenty of London shows and they may have 70 to 100 lights. In New York, you'll never see a show with less than 300. 'Dreamgirls' had 950. The decision of where to spend money is not the producer's as much as the creative person's."

Can the Broadway audience can tell the difference? "It's a chicken-egg situation," Jacobs said. "Could you charge our ticket prices without those design elements?"

"We will put on a play if we think it has merit," said Alexander H. Cohen, the New York producer of "Kean." "While the price of putting on a play may be 10 times greater in New York than in London, the profit potential in New York is 20 times greater."

The Scandal Gains Steam In Germany

By John Dornberger

MUNICH — The firing of NATO commander, General Klaus Guter, has become a scandal in Germany but also for the world.

With the demand by the German Social Democrats and the Greens party for the resignation of Defense Minister Manfred Wörner, the reconstruction of the Bundestag Committee into a parliamentary investigating committee to clear his name, the scandal has become a major political issue.

What began as the "Kessing scandal" has become the "Wörner scandal" by allegations that the general may be a victim of a "Bündeswehr" counterintelligence and internal security division, which have bungled the investigation.

The only "evidence" of the alleged counterintelligence contacts comes from a Cologne police last September. The request of a staff sergeant, MAD who gave Cologne police heavily retouched photo of the general's gay bars. The photo was seriously damaged. The photo was destroyed.

The case coming at a time when the government is shaken by bribery charges in the Finance Minister, Otto Lamberti, may have serious domestic repercussions. It also raises other issues: West Germany's stance toward NATO, the attitude of General Rogers, the NATO commander toward a West German defense, the censorship imposed on the Stripes, the U.S. military, and reporting the affair.

It was when Alexander Haig, commander of the North Atlantic Treaty Organization, was in the post of deputy to the Supreme Commander-Europe, was the intention of the German government to influence the NATO command. A deputy post for it already existed. It currently held Air Chief Marshal Sir Peter Leitch.

Though the job's mission responsibilities were never defined, General Haig got into his first German duty, as General Haig, the first German General, was a "political" officer, and diplomatic game.

The relationship soured. General Haig resigned in May. General Rogers arrived. After General Schmidt, General tried to cut him out of the decision-making process. When General Schmidt retired and Admiral Luehr was assigned, matters worsened. By 1981 the Defense Minister Hans Apel, even suggested Rogers of trying to abolish post. When General Kissinger, General Luehr in April the institutional clash developed.

General Rogers has denied it opposes the post of a West German deputy and that he or any U.S. ally had anything to do with the Kissinger's recall. But supporters, and was named by an Stars and Stripes not to put word about the case, not credit to Rogers' denial, because of a harm to German-American relations. News of the case, revealed ironically in a single, east 10 days ago by the U.S. Forces Network.

What troubles many people Bonn is the thought that the used General Kissinger as a sacrificial offering to General and NATO harmony.

Much now depends on the Kissinger's ability to counter self. If he does, the case may be closed. Mr. Wörner will have to go into crisis, particularly if he is to do it. If Mr. Wörner falls, he would not be the first West German defense minister to trip over a scandal. It happened in 1976 as Leber, a Social Democrat, had disclosures that MAD had constitutional limits and Ministry regulations by high homes and offices of several many of them journalists had to resign.

The Kissinger affair has haunting historical precedent in 1938 of Colonel-General von Frisch, the commander of German ground forces, was charged with homosexual acts by Heinrich Himmler's SS.

Hitler to consolidate power over the Wehrmacht.

International Herald Tribune

that the ability to understand language by necessity depends on the ability to speak it. Speaking ability may seem obvious to someone who is conversant as far as translation is concerned, or other, the requirement found knowledge of the language and the culture concerned, and means broader and more knowledge than the natural speakers of that language.

I agree with what the translator Rolf Fiedler is saying about drama. I've derived from it the nature of them, period, what is necessary to understand what is necessary to understand the ability to "speak the language."

TOM A. FLEW

Long Is In, So Is Color And Luxury

By Hebe Dorsey

International Herald Tribune

PARIS — Paris couture, whose summer showings opened Monday, was total fantasy — with Pierre Cardin playing "papa" to quintuplets and Jean-Louis Scherrer a groom between two stunning brides.

Otherwise, long is beautiful. Color is back but navy is a winner. Costume jewelry, including rhinestone bracelets over long, white

PARIS FASHION

gloves, is a big deal again. Luxury is the name of the game and lavish embroidery the ultimate answer to the creative riff of ready-to-wear.

Cardin, who sees himself as a cross between an ambassador and God's special gift to fashion, threw everything onto the runway except pots and pans, which he also happens to design these days.

With family the theme of this collection, there were men and women as children, all dressed by Cardin, of course, a sweet if self-made and slightly chaotic retrospective that blurred the couture collection Cardin was supposed to be showing.

Not that it mattered. There were no major surprises here, with all the familiar themes including batwinged ponchos, geometric suits, corolla-dresses and flying-saucer hats.

Cardin is so busy keeping up with his empire that he cannot remember how many licenses he has — "600, yes, maybe" — but he believes that worldwide some 160,000 people are working for the Cardin label.

His latest foray was to Bombay, where he is opening a 10th Max-Mara restaurant. Rio was a hit. There is also the fact that "Mrs. Gandhi asked me to help, so I'm launching new licenses there," he said. He also used Indian embroidery for dozens of stunning dresses, that were made in India with "millions and millions of beads."

But nobody is quite sure who is going to buy these dresses, which, Cardin says, will cost between 300,000 and 400,000 francs (around \$45,000).

The best parts of this collection were the long, softly belted chemises, with droopy, rather than aggressively square, shoulders, and the pure Cardin suits, with triangles, squares and circles worked



Dior's preppy long suit with blue shirt (left) and Scherrer's Ballets-Russes inspired dress.



into them. The long black dresses, cut across by lightning-streak cutouts in black chiffon and stacks of swirling ruffles, all designed by his friend and partner André Oliver, provided the only romantic moment of this frankly commercial show.

Scherrer, who showed exquisitely tucked and pleated couture dresses as well as expensive, elaborately embroidered gowns, has no selling problem. He has cornered the Arab princess market and when one of them gets married, he dresses entire families, including children and servants. That's why his models, swathed in miles of pastel tulle hats — including some unfortunate Queen Mary toques — all looked on their way to a wedding.

Time was abolished, with the Ballets Russes as the main theme, complete with egret-trimmed turbans, gold-fringed shawls and long-bodied embroidered dresses, breaking out into chiffon kerchief skirts. The whole collection was bathed in a misty light, for in Scherrer's fantasy world, all women are orchids and have the same delicate wrappings and coloring.

At Dior, which closed the day, Princess Caroline made her first public appearance as Mrs. Casiraghi, with her husband — a nice gesture for Marc Boban, the house's designer, who also happens to be a friend. The princess was wearing a brown suit with preppy, narrow tie over marmoset shirt — as were a lot of the Dior models.

Boban, who no longer designs

Dior's ready-to-wear, now seems happy concentrating on both couture and Caroline. In a collection that was much better, as well as more luxurious, than usual, Boban looked as if he had finally come to terms with himself.

His main theme was the long suit, with wraparound skirt and short midriff jacket, preppy tie and shirt. He tried his hand at color — mixing turquoise, fuchsia, green, red and yellow — with a few hits and some misses. There were also some big, handsome blousons with diagonal stripes, combining suede and leather.

His dresses, with camicole tops and wraparound skirts, hit just the right proportions. The most amusing, and very Caroline evening outfit, were the embroidered satin pajamas of turquoise or purple satins, topped by gold lame coats. Boban's contribution to Art Nouveau were the Klim-like gold-and-white embroidered dresses that recalled the early, luxurious days of the late Christian Dior.

Two more designers are in Paris this week, both foreigners. One is Roberto Capucci of Rome, who is showing Tuesday afternoon at the Italian Embassy. A real, if reclusive talent, Capucci, who does some of the most spectacular evening gowns in the world, has decided that Rome was not enough of a showcase and that he will tour his collection in various world capitals.

Halston, of New York, is also in Paris. He has designed the costumes for two of the Martha

Graham dances at the Paris Opéra this week, "Phaedra's Dream," with Rudolf Nureyev, and "Acts of Light." The Martha Graham Dance Company is performing for the first time at the Opéra.

Between this and that, Paris social life has been abuzz, with cocktails Sunday at the U.S. Embassy for Miss Graham, who was made a chevalier of the Légion d'Honneur after the Monday gala performance.

Saroyan Papers Are Appraised At \$810,415

The Associated Press

FRESNO, California — A collection of documents left by the late William Saroyan has been appraised at \$810,415, according to court documents.

Saroyan, the Pulitzer Prize-winning author of "The Human Comedy" and "The Time of Your Life," left thousands of articles at his death from cancer on May 18, 1981, at age 72. His will left most of his estate to a nonprofit foundation set up in his name.

Peter Howard, who performed the appraisal, found that the collection contained drafts, redrafts, originals and duplicates of published and unpublished materials. Saroyan, who set many of his works in the Armenian community of his youth in Fresno, also kept personal journals, diaries and notes.

Mystery Still Surrounds Disappearance in China

By Richard Bernstein

New York Times Service

NEW YORK — Two years ago, Hanson Huang, a Hong Kong-born, Harvard-trained lawyer and a former partner in a major New York law firm, disappeared from his hotel room while on an extended visit to Beijing.

Mr. Huang, who had earlier taught law in China, was assumed to be under arrest. But until recently, nothing was known of his fate, either by relatives in Hong Kong and the United States or by friends who knew him at Harvard.

Inquiries made by these friends by mail to Chinese authorities went unanswered. Members of Mr. Huang's family, hoping that by remaining quiet they might enhance his chances of being released, did not seek publicity for him or petition the Chinese government for information.

Last month, a Chinese-language magazine in Hong Kong, *Pai Shing*, published an article saying that Mr. Huang had been sentenced to 15 years in prison for spying for the United States.

There has been no official announcement of this, but a recent visitor to Beijing, a Westerner, said Mr. Huang's conviction as a spy had been confirmed by Chinese officials.

Mr. Huang attended both Harvard College and the Harvard Law School, where, according to Robert McCabe, a lawyer in New York

who knew him then, he had a reputation as a strong supporter of the Communist revolution in China.

After working for the firm Baker and McKenzie in Chicago and New York, he went to Beijing and taught law at Beijing University, friends and relatives say.

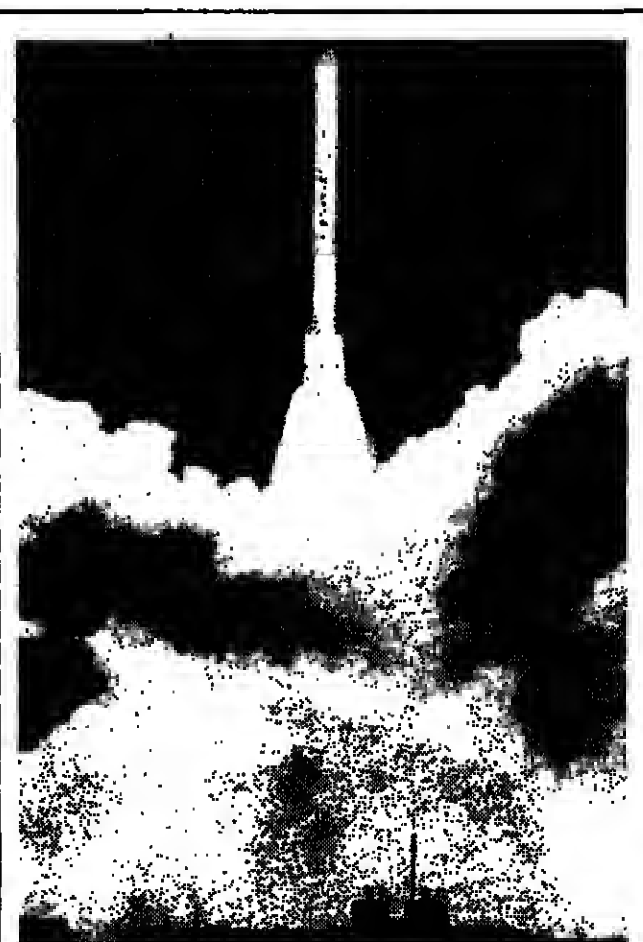
Mr. Huang returned to the United States in 1981 and, for a brief period, was a partner at Webster & Sheffield.

William H. Hogeland, managing partner, said the firm was interested in expanding in Asia. After going to China to prepare for work there for Webster & Sheffield, Mr. Huang abruptly withdrew from the firm, saying he had cancer and would seek treatment in Beijing. Two months later, in January 1982, he disappeared.

Mr. Hogeland said his latest information in the case was the article that appeared last month in Hong Kong. "I don't know if the article is correct," Mr. Hogeland said.

He said the firm contacted the State Department after learning of Mr. Huang's disappearance. Asked about the matter, State Department officials said that, because Mr. Huang was not an American, no inquiries had been made on his case.

According to Chinese law and practice, residents of Hong Kong, such as Mr. Huang, are considered Chinese citizens and are under the jurisdiction of the Chinese authorities.



PRIME-TIME PAYLOAD — A Japanese-built, three-stage rocket carrying the world's first direct-broadcast public TV satellite was launched from the Tanegashima space center in southern Japan on Monday. The satellite is to achieve geostationary orbit above the equator over New Guinea, transmitting directly to subscribers.

U.S. Judge Orders Expulsion of Chinese Defector

By Jay Mathews

Washington Post Service

LOS ANGELES — For the first time since thousands of Chinese students began to enter American universities, a federal immigration judge has ordered that a Chinese scholar return home against his will despite his well-publicized attempt to defect to the United States.

American academic experts on China and Chinese dissidents living in the United States expressed shock at Friday's decision by Judge Bernard Hornbach to deny political asylum to Xia Yuren, an atmospheric physicist. Mr. Xia, 50, escaped from the Chinese Consulate in San Francisco two years ago by climbing out of a window on a rope.

Critics of the decision said Judge Hornbach and the State Department, which recommended against asylum, appeared to be letting improved U.S. relations with China obscure the fact that penalties that still exist for Chinese who criticize or embarrass their government.

When a tennis player, Hin Na, won asylum last year, Beijing suspended cultural exchanges for several months, a setback that some critics said the State Department wanted to avoid in the Xia case.

Wang Bingzhang, head of a New York-based human rights group known as China Spring, said Mr. Xia would have won asylum easily had he been a Soviet citizen. "A double standard should not hold sway over human rights," Mr. Wang said.

According to an Oakland, California, attorney, Thomas Surh, who represented Mr. Xia during

deportation hearings in San Francisco, Judge Hornbach appeared to accept a State Department argument that the publicity given Mr. Xia's defection attempt would protect him from government reprisals when he returned home.

Judge Hornbach noted that a Chinese official had assured one State Department official that Mr. Xia would not be penalized. Mr. Surh said Judge Hornbach concluded that "with the whole world watching," Beijing would not break that promise.

"If you believe that, you'll believe just about anything," said a California university scholar who recently spent more than a year in China and asked not to be identified. "I don't think they'll shoot him, but he's in for a long period of strict supervision."

Mr. Surh said Mr. Xia planned to appeal Judge Hornbach's decision to the Board of Immigration Appeals in Washington, and if necessary, to the federal courts, a process that could take two years.

About 10,000 Chinese students and scholars are living in the United States. The Immigration and Naturalization Service has listed more than 1,000 asylum requests from persons born in China. Some of these confidential requests have been denied, but no Chinese defector whose name has been made public has been forced to return to China.

Chalmers Johnson, a political science professor at the University of California, Berkeley, who testified on Mr. Xia's behalf, said he thought Judge Hornbach had been sympathetic to Mr. Xia's request

and was "a little bit shocked" at the judge's decision.

A Stanford University expert called by the U.S. government told Judge Hornbach that human rights in China had improved greatly, with a revived legal system and a new constitution, since Mao's death in 1976. Mr. Johnson said the constitution had not prevented Chinese authorities from sending thousands of people to labor camps without trial.

Mr. Surh said Mr. Xia thought that the success of Prime Minister Zhao Ziyang's recent visit to the United States had worked against him. Mr. Johnson said he agreed that State Department officials seemed to use a double standard in judging China and other Communist countries.

If a U.S. official had used similar arguments to recommend against asylum for a Soviet or East European

refugee, he said, "it would be grounds for firing on the spot." Mr. Johnson said Mr. Surh had had difficulty finding U.S. experts to testify for Mr. Xia because of their fears that the Chinese government might retaliate.

Some scholars also apparently feared that Mr. Xia's case would be weakened by at least two complaints from American women that he had fondled them in public.

Philippines Boat Sinks; 52 Killed, 45 Missing

The Associated Press

ZAMBOANGA CITY, Philippines — Fifty-two passengers were killed and 45 were missing after a motor launch with more than 240 persons aboard capsized Sunday morning, a military report said Monday.

Philippine marines stationed in the province of Tawi-Tawi, 650 miles (1,050 kilometers) south of Manila and near the site of the accident, reported that 145 passengers had been rescued. The military is investigating the cause of the accident.

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68,000 May Lose Jobs in Philippines

The Associated Press

MANILA — About 68,000 workers will lose their jobs within five months if nearly half of 256 surveyed companies shut down or suspend operations because of insufficient raw materials, a survey released Monday indicates.

The survey by the Employers Confederation of the Philippines said 38,000 other workers from 122 companies would be affected by reduced hours or "job rotations" because of production slowdowns.

The Central Bank has been allocating foreign exchange only to industries that import vital products such as medicine, textile fibers, fertilizer, petroleum, paper, iron and steel. Industries not on the bank's priority list have been unable to obtain dollars to import raw materials.

The survey was done late last year to gauge the impact of economic problems on jobs and businesses. The report said 85 percent of the companies surveyed used im-

ported raw materials. It said they would have to slow production or shut if their inventories were not replenished.

Most companies have stocks projected to last only until May, and many are trying to open letters of credit, the study said. It said such credit has become difficult to obtain because of economic problems in the Philippines.

The country's economic difficulties followed the assassination in August of former Senator Benigno S. Aquino Jr., the leading opponent of President Ferdinand E. Marcos. That triggered a flight of local and foreign investors' capital and aggravated a worsening balance-of-payments problem.

Mr. Marcos said last month that fears of mass layoffs were "pure and simple speculation." The Labor Ministry, however, confirmed 64,000 jobs lost last year, half in the last two months of 1983.

Meanwhile, the newspaper Business Day reported that the infla-

tion rate rose 17 percentage points in the last four months of 1983 to 26.1 percent, the highest since 1975. The monthly inflation rates, measured by changes in the cost-of-living index from previous-year levels, started moving up in October when the country declared a moratorium on debt payments.

The news report said the rate in November jumped by more than 6 percentage points from October because of price increases and a devaluation of the peso.

Quoting the National Economic Development Authority, the newspaper said the government's monetary policy had kept the average inflation rate for 1983 at 10.05 percent, lower than the 1982 level but higher than the government-estimated figure of 9 percent.

The agency also projected that inflation rates for the next 10 months would range from 21 percent to 28 percent, with increases tapering off only by the end of the year.

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TUESDAY, JANUARY 24, 1984

Statistics Index
Page 7

COMMODITIES

By H.J. MAIDENBERG

Chicago Merc Today Starts Trading Options in Deutsche Mark Futures

NEW YORK — In 1972, the financial-futures market was born when the Chicago Mercantile Exchange, then evolving from a butter and egg market, began trading futures in a half dozen foreign currencies. On Tuesday, the same exchange will start trading options on Deutsche mark futures and, gradually introduce contracts on other foreign currencies.

Leo Melamed, former chairman of the Chicago Merc and the father of financial futures, expects the first options on currency futures to attract not only banks and corporate hedgers, but also large numbers of small traders. The reason, he said, is an experience that led him to set up the currency-futures market a dozen years ago.

He had just met Milton Friedman, who later was awarded the Nobel prize for economics. Mr. Friedman related how he missed making a small killing. He had wanted to sell his then-modest savings to sell short the British pound, which he expected was about to plunge. The banks refused to accept his hedge, saying that they did not handle such small foreign-exchange orders. As he expected, the pound plunged soon afterward.

The story gave Mr. Melamed an idea, which led to the development in 1972 of the first exchange-traded futures market in foreign currencies, the forerunner of similar markets in other financial instruments.

The Chicago Mercantile Exchange chose the Deutsche mark for the first options of currency futures "because it has become the 'look-to' foreign currency against which the dollar's value is measured," Mr. Melamed said the other day. "The D-mark may be the most actively traded foreign currency. In any case, it is the currency second to the dollar that Europeans look to in measuring the value of their own money."

The growing market in foreign-currency options was started by the Philadelphia Stock Exchange Dec. 10, 1982. The Philadelphia market, which recently opened an office in London to help European traders, has grown in part because it trades options half the size of the Chicago Merc's futures. The size of its D-mark options contract, for example, is 62,500 DM, compared with the 125,000 DM represented by the Chicago futures.

Large Volume From Overseas

"Our options can be exercised and settled in the underlying physical currency at any time," Melamed A. Mroz, director of the Philadelphia exchange's foreign-exchange-options market, said, in explaining his market's success. "Because Europeans prefer to settle their options in the actual currency rather than futures, some 65 percent of our volume comes from overseas."

However, the Chicago Merc follows the European system, which requires that a futures contract be settled only at expiration time," she added. "And the Chicago's options can only be settled by the delivery of the underlying futures contracts, not the physical currency."

It is also why Miss Mroz expects prices on her exchange's options to trade at somewhat higher prices than those in Chicago. Richard L. Sandor, senior vice president of Drexel Burnham Lambert Inc., who last week was appointed a governor of the Chicago Mercantile Exchange, observed: "Brokerage houses, especially those like us with a large overseas forex business, are fully prepared to participate in currency options. Moreover, brokers will prefer an exchange-traded hedging vehicle to the traditional over-the-counter method."

Mr. Sandor, who helped fashion several financial-futures contracts, also noted that "most major banks were already clearing members of the Chicago Merc, so their trading costs will be negligible, and many of the other players have direct lines to the exchange's floor."

This is important because the banks are expected to serve as the middlemen between the corporate treasurers who seek to hedge their foreign-exchange exposure and the market where this would be done. Because options are not subject to margin calls, the banks would be able to lay off their risks at predictable costs.

One reason that bank foreign-exchange spreads are often wide is that bankers try to insure themselves against being caught with a position in a currency whose value may decline. So does everyone holding foreign currencies in uncertain times.

D. Blane Modin is a typical hedger. He is vice president and treasurer of Canadian Export Development Corp., which helps finance Canada's foreign trade. "Our corporation deals in 100 countries, but basically in a dozen foreign currencies," Mr. Modin said. "We think the Chicago Merc's options will be an excellent way to minimize or neutralize our risks in these currencies."

The Canadian agency has always hedged risk in the over-the-counter foreign-exchange market, he said, adding: "But we expect the options, with their limited-risk feature, to provide us with a faster, far more liquid and less costly method of hedging our exposures."

New York Times Service

CURRENCY RATES

Late interbank rates on Jan. 23, excluding fees. Official findings for Amsterdam, Brussels, Milan, Paris, New York rates of 4:00 pm EST.

	\$	DM	FF	£	Yen	S.F.	Sw	Sc
Amsterdam	3.147	4.422	12.255	3.076	161.86	5.372	141.68	135.45
Brussels	57.44	80.84	20.478	4.678	235.55	12.15	25.71	24.60
Milan	2.144	3.954	10.828	1.641	88.92	4.977	122.88	119.45
Paris	1.639	2.235	12.255	2.042	104.25	4.49	10.44	10.45
London	1.714	2.412	6.065	1.708	94.25	3.135	74.54	72.97
New York	1.402	2.235	8.62	1.718	81.25	3.171	74.54	72.97
Stockholm	1.211	1.711	3.060	1.023	50.00	2.328	24.50	24.50
Oslo	23.975	33.225	82.08	22.12	13.44	7.77	40.84	19.45
Zurich	2.245	3.499	7.521	2.599	1.704	7.575	3.874	3.874
1 BCU	0.0005	0.0005	2.573	4.353	12.218	2.573	1.771	18.19
1 SDR	1.0353	1.7259	2.7272	1.7718	12.218	2.573	2.573	26.29

Dollar Values

	Per	U.S.	Per	U.S.	Per	U.S.	Per	U.S.
1 Euro	0.55	1.818	1 Euro	0.55	1.818	1 Euro	0.55	1.818
1 Australian	1.309	1.309	1 Euro	0.55	1.818	1 Euro	0.55	1.818
1 Canadian	0.77	1.309	1 Euro	0.55	1.818	1 Euro	0.55	1.818
1 Danish	0.136	1.309	1 Euro	0.55	1.818	1 Euro	0.55	1.818
1 French	0.065	1.309	1 Euro	0.55	1.818	1 Euro	0.55	1.818
1 German	0.0005	1.309	1 Euro	0.55	1.818	1 Euro	0.55	1.818
1 Greek	0.0005	1.309	1 Euro	0.55	1.818	1 Euro	0.55	1.818
1 Hong Kong	0.0005	1.309	1 Euro	0.55	1.818	1 Euro	0.55	1.818

INTEREST RATES

Jan. 23

	1M	3M	6M	1Y	2Y	3Y	5Y	10Y
1M	9 1/2	9 1/2	9 1/2	9 1/2	9 1/2	9 1/2	9 1/2	9 1/2
3M	9 1/2	9 1/2	9 1/2	9 1/2	9 1/2	9 1/2	9 1/2	9 1/2
6M	9 1/2	9 1/2	9 1/2	9 1/2	9 1/2	9 1/2	9 1/2	9 1/2
1Y	9 1/2	9 1/2	9 1/2	9 1/2	9 1/2	9 1/2	9 1/2	9 1/2
2Y	9 1/2	9 1/2	9 1/2	9 1/2	9 1/2	9 1/2	9 1/2	9 1/2
3Y	9 1/2	9 1/2	9 1/2	9 1/2	9 1/2	9 1/2	9 1/2	9 1/2
5Y	9 1/2	9 1/2	9 1/2	9 1/2	9 1/2	9 1/2	9 1/2	9 1/2
10Y	9 1/2	9 1/2	9 1/2	9 1/2	9 1/2	9 1/2	9 1/2	9 1/2

Notes available in interbank deposits of \$1 million minimum (or equivalent).

Key Money Rates

	Close	Prev.	Close	Prev.
United States				
Discount Rate	9 1/2	9 1/2	Bank Base Rate	9 1/2
Federal Funds	9 1/2	9 1/2	Call Money	9 1/2
Prime Rate	11	11	1Y Treasury Bill	8 7/8
Broker Loan Rate	10 1/2	10 1/2	3-month Interbank	9 1/2
3-month Treasury Bill	9 1/2	9 1/2		
6-month Treasury Bill	9 1/2	9 1/2		
1Y Treasury Bill	9 1/2	9 1/2		
CD's 30-90 days	9 1/2	9 1/2		
CD's 60-90 days	9 1/2	9 1/2		

West Germany

	Close	Prev.	Close	Prev.
1M	5.50	5.50	1M	5.50
3M	5.50	5.50	3M	5.50
6M	5.50	5.50	6M	5.50
1Y	5.50	5.50	1Y	5.50
2Y	5.50	5.50	2Y	5.50
3Y	5.50	5.50	3Y	5.50
5Y	5.50	5.50	5Y	5.50
10Y	5.50	5.50	10Y	5.50

Source: Commerzbank, Bank of Tokyo, Lloyds Bank.

Rising Tokyo Market Pulls Foreigners

By Terry Trucco

NEW YORK — Optimism abounds on the Tokyo Stock Exchange.

While the U.S. securities markets have been backing and filling over the last seven months, and the Dow Jones industrial average has shown little ability to sustain its interim gains on the New York Stock Exchange, the Nikkei-Dow Jones stock index in Tokyo has continued an upward surge that began early in 1983.

On Jan. 9, the index broke 10,000 yen for the first time, and analysts say it could break 13,000 by the end of the year, although it slipped Monday to 10,070.98 from 10,086.03 Friday.

"Personally, I'm very positive that last year we saw the first part of a boom market, and I think this boom is a big one," said Takuro Isoda, general manager of the International Securities division of Daiwa Securities in Tokyo.

While the New York Dow rose around 26.1 percent in 1983 (there is no direct link between the two indices), the Tokyo index was not too far behind, increasing 23.4 percent. But, unlike the Dow in New York, the Japanese stock market has seen a steady growth pattern, from just under 2,000 yen in 1970, led by a strong domestic economy.

The continued bullishness has drawn a great influx of new foreign investors into a market that many thought almost impossible to understand and analyze not too long ago. Even though foreign investment in Japanese stocks rose 18 percent, to \$3 billion, last year, it was only 10 percent of total purchases on the Tokyo exchange. But three years ago it was only 5 percent.

Moreover, Americans have accounted for a larger and larger chunk, including about half last year. Previously European and Middle Eastern investors dominated the foreign component.

U.S. securities firms have helped the trend along in recent years. Although not every firm offers retail brokerage services in Japanese securities, the largest ones, including

Merrill Lynch, Prudential-Bache, Goldman Sachs, Smith Barney and Salomon Brothers, are licensed to trade in Japan.

The four largest Japanese brokerage firms, Nomura Securities, Daiwa Securities, Nikko Securities and Yamaichi Securities, also have New York offices, although they do most of their business with institutional investors. Nomura will handle individual accounts, but it says it prefers to deal with clients spending at least \$500,000.

In comparison, Prudential-Bache is willing to handle even the smallest individual investments in Japanese exchanges, according to an analyst, Hisamichi Sawa.

But individual investors must purchase at least 1,000 shares in a Japanese company, the minimum required by Japanese law.

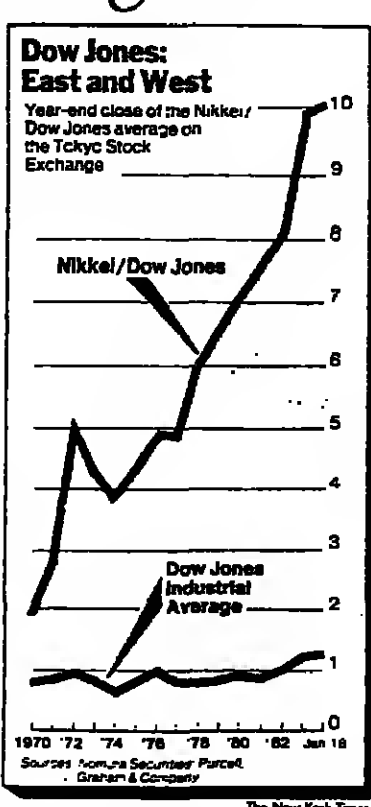
This is not necessarily a problem for the small investor, because average stock prices tend to be lower in Japan, generally around \$3 to \$4 a share. But, when corporate profits soar and stock prices rise, many Japanese companies regularly give stock dividends to shareholders, a move that generally keeps stock prices in the lower ranges because the share values are diluted.

Still, an investor can choose from the two dozen or so Japanese stocks, including recognizable consumer-product companies like Sony, that are currently offered on the New York Stock Exchange or traded in the over-the-counter market here. Companies like Nissan, Toyota and Honda are traded in American depository receipts, or ADRs, receipts for a foreign company's shares held in a U.S. bank in Tokyo. Prices of ADRs closely track in dollars the price of those shares on the Tokyo exchange.

For those interested in more choice, there are about 1,600 stocks listed on the two-tier Tokyo Stock Exchange, and another 200 issues traded over-the-counter in Japan.

One of the main reasons for optimism in the Japanese stock market is the economic climate. Japan's gross national product in 1984 is expected to expand by 4 percent, fueled by even higher levels of exports.

Analysts expect sharply higher profits for



Japanese corporations in 1984, by as much as 40 percent for some major companies. Moreover, Americans who buy Japanese stocks while the dollar is strong stand to gain if the dollar weakens, because when they sell their shares, their total dollar return will be larger.

But there are reasons for foreign investors to be cautious. For one thing, financial information on many Japanese companies is hard to get. With relatively few U.S. research companies in Japan, many brokers are not yet familiar with Japanese stocks, although some

(Continued on Page 9, Col.3)

Stocks in N.Y. Skid Broadly On Rate Fears

United Press International

NEW YORK — The New York Stock Exchange had its worst loss in three months Monday. The broad-based skid was triggered by a surge in the U.S. money supply that indicated to some that interest rates would remain high.

American Express prompted late selling by reporting a quarterly loss. High-technology issues dropped on some disappointing earnings reports. But select utilities scored when they switched to coal from nuclear power for their plants.

The Dow Jones industrial average, which lost 6.92 Friday, skidded 14.66 to 1,244.45, the worst loss since it fell 18.58 Oct. 28. Monday's loss put the Dow below its 1983 close of 1,258.64 and at the lowest level since it hit 1,241.97 Dec. 20.

The Dow Jones transportation average plunged 8.75 to 587.70 but the Dow utility average added 0.44 to 130.83.

The New York Stock Exchange index lost 0.81 to 93.32 and the price of an average share decreased 29 cents. Declines exceeded advances 1,265-to-409 among the 2,037 issues traded.

The Big Board volume of 82 million shares, down from the 93.4 million traded Friday, was the second slowest of the year, after the 71.3 million traded Jan. 3.

The Federal Reserve's report late

Friday showed that the narrowest measure of the U.S. money supply surged \$3.8 billion in the latest week.

"There are continuing jitters the Fed might not be able to lower interest rates because the economy still is strong," said Carolyn Coles of Paine Webber.

Monte Gordon of Dreyfus Corp. said the market was hurt by the "fact that the dollar remains strong and the nation's trade deficit continues to balloon. This has made some people reconsider the optimistic corporate earnings estimates that have been made for this year."

The American Stock Exchange index lost 2.23 to 234.48 and the price of an average share fell 15 cents. Declines routed advances 430-to-158 among the 780 issues traded. Volume totaled 5 million shares, down from 5.9 million Friday.

American Telephone & Telegraph when-issued stock was the most active NYSE-listed issue, up 1/4 to 18. AT&T "old" stock added 1/4 to 66.

Citicorp was the second most active issue, off 1/4 to 35 1/2 with a block of 995,000 shares at 35 1/2.

IBM, which lost 2 1/2 last week despite reporting 24 percent higher fourth-quarter earnings, was third, off 1/4 to 116 1/4. IBM cut its orders from Miniscribe and Seagate Corp., both of which make high-density storage devices for IBM's high-priced personal computers.

NBI Inc., which had second-quarter earnings of 33 cents a share, down 38 cents a year ago, shed 2 1/2 to 23. Prime Computer, which reported fourth-quarter earnings of 21 cents a share, down from 28 cents a year ago, lost 1 1/4 to 19 1/4.

Among the other high-technology issues, Texas Instruments fell 1/4 to 136 1/4, AMP Inc. 1/4 to 105 1/4 and Telebyte 1/4 to 168 1/4.

American Express fell 1/4 to 31 1/4 after posting a \$21-million fourth-quarter loss.

RCA Corp., which reported fourth-quarter earnings of 75 cents a share, up from 48 cents a year earlier, fell 1/4 to 36 1/4. (Page 10.)

Court to Review BankAmerica Purchase of Discount Broker

The Associated Press

WASHINGTON — The Supreme Court agreed Monday to review the validity of BankAmerica Corp.'s purchase of Charles Schwab Corp., the largest U.S. discount securities brokerage.

The justices said they will decide whether the Federal Reserve Board acted legally when approving BankAmerica's purchase last year.

The purchase is being challenged by the Securities Industry Association, a national trade organization representing more than 500 securities brokers, dealers and underwriters.

The Fed's decision Jan. 7, 1983, to approve such an acquisition by a bank holding company was unprecedented.

But the Fed appeared to be continuing a trend toward softening the traditional lines of demarcation between securities selling and such financial industries as commercial banks, savings and loans and insurance companies.

For example, the U.S. Comptroller of the Currency last year allowed Security Pacific Corp., a big West Coast bank holding company, to set up its own discount brokerage. And the Federal Home Loan Bank Board allowed a group of savings and loan associations to enter the brokerage field by setting up subsidiaries to buy and sell securities for the public.

Before the Fed decision, the Securities Industry Association said the BankAmerica deal might hurt competition in the discount-brokerage field and create conflicts of interest on matters involving customers of both the brokerage and the bank.

After the approval, the organization challenged its legality. The 2d U.S. Circuit Court of Appeals up-held the Fed's approval last July 15. The trade group then appealed to the Supreme Court.

Its lawyers argued that two federal laws regulating the banking industry, the Glass-Steagall Act of 1933 and the Bank Holding Company Act of 1956, prohibit such purchases by bank holding companies.

BankAmerica Corp. is the parent of San Francisco-based Bank of America, the largest commercial bank in the United States in terms of domestic deposits, which are about \$52 billion.

Schwab, also based in San Francisco, had 51 offices in California and 25 other states when the purchase was approved.

Discount brokerages charge significantly lower commissions but generally provide fewer services than traditional brokers, mainly handling transactions.

But the profit margins earned by lead managers of floaters have been shrinking for months.

Last week, Grindlays Bank raised \$100 million with an issue that pays 0.125 of a percentage point above Libor. The fees brought Grindlays's cost to about 0.16 of a percentage point above Libor.

RCA Corp., which reported fourth-quarter earnings of 75 cents a share, up from 48 cents a year earlier, fell 1/4 to 36 1/4. (Page 10.)

10 CSFB Staff Strong Market Gives Citicorp, Sanwa Defect to Join Unusually Good Terms on Floaters

By Bob Hagerty

International Herald Tribune

LONDON — Ten executives of Credit Suisse First Boston defected Monday to one of the Eurobond market's biggest rivals, Merrill Lynch Capital Markets.

Merrill Lynch Capital, a unit of Merrill Lynch & Co., said it was approached recently by three senior CSFB executives. After rapid negotiations, the three agreed to join Merrill and bring along seven colleagues.

CSFB is the largest lead manager of new Eurobonds issues. Deutsche Bank is second and Merrill Lynch a distant third, having led issues amounting to about a fourth of CSFB's volume in 1983.

Eurobond houses are notorious for frequent staff defections, but Monday's was unusually large.

"It's sad," a CSFB executive said, but announcing terms for a new floating-rate note issue for Sanwa Bank, he added: "The show goes on."

The three executives joining Merrill as managing directors are: Michael Dobbs-Higginson, formerly an executive director of CSFB and chairman of its CSFB (Asia) unit. He will be responsible for investments banking in Japan, Southeast Asia and Australasia.

Mr. Dobbs-Higginson brought along one colleague, Andrew Kerner.

Caleb Watts, who also was an

being led by S.G. Warburg and Citicorp International.

Traders quoted the paper at a discount of about 0.4 percent late Monday.

Sanwa Bank, one of Japan's largest commercial banks, is offering \$150 million of eight-year floaters, also paying interest equal to Libor.

The fees total 1 percent, making the borrowing cost about 0.125 of a percentage point above Libor.

The managers are Credit Suisse First Boston, Sanwa, Baring Brothers and Morgan Stanley.

The issue was announced too late in the day to establish a market price.

The two issues are unusual for carrying no premium over Libor.

Though Libor is often portrayed as the bank lenders' cost of funds, bankers currently are able to raise short-term money below Libor, making possible such issues as the two launched Monday.

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Says Profit Rose
oil and natural gas liquids were sold at a profit of \$2.1 billion in the first quarter of 1984, up from a loss of \$2.1 billion in the fourth quarter of 1983. The profit was a result of a combination of factors, including a rise in the price of oil and natural gas liquids, and a decline in the cost of production. The profit was also helped by a decline in the cost of transportation and a rise in the price of refined products. The profit was a record for the first quarter of 1984, and it was a significant improvement over the fourth quarter of 1983. The profit was also a result of a combination of factors, including a rise in the price of oil and natural gas liquids, and a decline in the cost of production. The profit was also helped by a decline in the cost of transportation and a rise in the price of refined products. The profit was a record for the first quarter of 1984, and it was a significant improvement over the fourth quarter of 1983.

and National Talk
for U.K. Money
— Gerrard and National
Community firms, said Monday
to withdraw bid for Gerrard
shares valued 41 pence to close at 12p
and of about £100 million (\$147
million), but speculation focused on
the fact that the firm had been
discussed money broker that
Mather & Co. Mercantile declined
to be interested in buying a stake
known as a "discount house" in London
and other short-term debt instruments.

Extends Bar on Govt
— AP — A Superior Court judge
in order blocking the \$9.9-billion
bond issue issued the order to prevent
the state to support the challenge to the
state's restraining order against
Monday to Thursday. A court
set off for two days until Wednesday.

DONG (Reuters) — Eastman
produce consumer products.

[illegible]

about in early 1982, to produce a

Not Seeking New Oil

100 (Reuters) — Nigeria's government has
set an increase in its OPEC oil quota
political deal Monday.

101 (Reuters) — A member of the
Organization of Petroleum Exporting
States would abide by its quota
to correct, Nigeria's oil minister said.

102 (Reuters) — Nigeria's oil minister said
OPEC quota is 1.5 million barrels a day. It
was missed by the previous administration
and oil revenue was not going into
the country.

Benz to Raise U.S. Sales

103 (Reuters) — Daimler-Benz AG
of UCD Ltd. Pretoria, a South African
mid-1984 from the present. The
German automaker said the
total increase by UCD to be
asked were immediately available.
Daimler holding will reduce
South Africa to 26.5 percent from
Steinbecker Foundation's 23.4 percent.

Boeing Concorde Flight

104 (UPI) — The supersonic airliner
March 27, British Airways said.

three-times-weekly Miami-Lordburg Washington in each direction, but only on up to two-and-a-half hours faster than flights. The fare, subject to government

Go to Merrill From

(Continued from Page 7)

board at CSFB. At the time, he will concentrate on the business, as he did at Citic, he brought along a staff of 10, including a deputy chairman and a specialist in the money market. He will head syndicated underwriting of floaters and money-market instruments.

At Merrill, he is hiring a lot of CSFB's floaters. Among them, Paul Dennison, formerly Salty Friers and

Mr. Stein is a partner in the investment company, and was a year ago senior director of the national bank.

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
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BUSINESS BRIEFS

Gerrard & National Talks May Lead To Bid for U.K. Money-Market Firm

LONDON (HT) — Gerrard & National PLC, one of London's biggest money-market firms, said Monday that it was holding talks that may lead to a takeover bid for Gerrard.

Gerrard shares soared 41 pence to close at 334 pence, giving the firm a stock market value of about £100 million (\$141 million). Gerrard did not identify its suitor, but speculation focused on Mercantile House Holdings, a London-based money broker that owns the New York securities firm of Oppenheimer & Co. Mercantile declined comment but acknowledged that it might be interested in buying a money-market firm.

Gerrard, known as a "discount house" in London parlance, deals in treasury bills and other short-term debt instruments.

Court Extends Bar on Getty Stock Sale

LOS ANGELES (AP) — A Superior Court judge has extended until Thursday an order blocking the \$9.9-billion sale of Getty Oil Co. to Texaco Inc.

Judge Richard Byrne issued the order to give more Getty heirs time to decide whether to support the challenge to the Getty-Texaco pact.

The temporary restraining order against consummating the sale was extended from Monday to Thursday. A court hearing on the merits of the challenge was put off for two days until Wednesday.

Kodak Sees More Joint Ventures

HONG KONG (Reuters) — Eastman Kodak Co. is considering more joint ventures to produce consumer products, the company's president, Kay Whitmore, said Monday.

Referring to a recent agreement to market the 8-mm video camera-recorders of Japan's Matsushita Industrial Electric Co., he said, "You can expect more of this type of joint venture in the future from Kodak with Japanese and other companies." Videotape for the camera, which will also be marketed by Kodak, will be made by TDK Corp. of Japan.

Mr. Whitmore said that Kodak has traditionally developed all the technology needed for market requirements. "But now, as costs climb and all of the technology is needed at a rate the consumer expects," Kodak will develop its expertise through acquisitions, joint ventures and its own research and development, he said.

U.S., Seoul in Gene-Engineering Tie

SEOUL (Reuters) — Lucky Ltd., part of South Korea's Lucky-Gold Star business group, has signed an agreement with Chiron Corp. of the United States to build a joint-venture plant to produce genetic-engineering products, a Lucky spokesman said Monday.

Lucky and Chiron will initially put up \$3 million each for the plant, which is to be completed in the first half of this year in San Francisco, he said. Its products will include interferon — a protein formed by animal cells — hepatitis vaccine and animal-growth hormones.

Toyo Kogyo Denies U.S. Plant Report

TOKYO (Reuters) — Toyo Kogyo Co. Monday denied a report that it is nearing agreement on buying an idle plant in Michigan from Ford Motor Co. to build 130,000 Mustang models a year starting in 1987 for Ford.

The Japanese concern, 24-percent owned by Ford, said it is still studying producing its own cars in the United States. It declined to disclose the progress so far.

The report, in the automobile trade publication, Ward's Auto World, said Toyo Kogyo would spend several hundred million dollars to convert the idle plant, shut in early 1982, to produce cars.

Nigeria Not Seeking New Oil Quotas

ABU DHABI (Reuters) — Nigeria's new administration will not in the near future seek an increase in its OPEC oil-output quota or a review of oil prices, an official said Monday.

Abdul-Hamid Obeloyeru, a member of a delegation touring member countries of the Organization of Petroleum Exporting Countries to assure them that Nigeria would abide by its international commitments, said Lagos was seeking to correct Nigeria's correct economic ills by domestic measures.

Nigeria's OPEC quota is 1.3 million barrels a day. Mr. Obeloyeru said Nigeria's wealth was misused by the previous administration of President Shehu Shagari and oil revenue was not going into the right channels because of corruption.

Daimler-Benz to Raise UCDD Stake

STUTTGART (Reuters) — Daimler-Benz AG said Monday that it will raise its stake in UCDD Ltd., Pretoria, a South African auto company, to 50.1 percent by mid-1984 from the present 36.7 percent.

The West German automaker said the bigger stake will be acquired through a capital increase by UCDD to be carried out in stages. No financial details were immediately available.

The higher Daimler holding will reduce the UCDD stake held by Volkskas, South Africa, to 26.5 percent from 39.9 percent. The Swiss-based Ernst-Gochner Foundation's 23.4 stake in UCDD will be unchanged.

BA Plans Concorde Flights to Miami

LONDON (UPI) — The supersonic airliner Concorde will begin flying to Miami on March 27, British Airways said Monday.

It said the three-times-weekly Miami-London flights will stop for 50 minutes in Washington in each direction, but even so, at 6 hours and 55 minutes, will be up to two-and-a-half hours faster than nonstop subsonic Miami-London flights. The fare, subject to government approval, will be \$3,765.

10 Go to Merrill From CSFB

(Continued from Page 7) executive director at CSFB. At Merrill, he will concentrate on Securities Division business, as he did at CSFB. Mr. Watts brought along Kuntz Ramey.

Steven Licht, a deputy chairman of CSFB and a specialist in floating-rate notes, an area in which CSFB has achieved particular renown. He will head syndication, sales and trading of floaters and other money-market instruments.

With Mr. Licht, Merrill is hiring five members of CSFB's floater team, Kevin Regan, Paul Dennison, Blair Friday, Sally Fairs and Polly Phipps.

Separately, European Banking Group announced that Jerome Goldstein, 47, had stepped down as a director responsible for Euro-bonds and other capital-market business.

The bank cited policy differences. "How he defined his role and how we defined it differed," said William Sles, managing director. He said the bank would "reallocate" Mr. Goldstein's responsibilities among other directors.

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First Commerce Securities Inc.
Havenport 483
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Telephone: 020-260901
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Standard Oil (Ind.)
Bid \$14 - Ask \$15
Prices in U.S. dollars
Quoted as of
January 23, 1984.

Union Carbide
Bid \$14 - Ask \$15
Prices in U.S. dollars
Quoted as of
January 23, 1984.

Utd Virginia Bank
Bid \$14 - Ask \$15
Prices in U.S. dollars
Quoted as of
January 23, 1984.

Reuters Poses Challenge to Telerate in Financial-Data Market in U.S.

By Yla Eason
New York Times Service

NEW YORK — Telerate Inc., the dominant provider of electronic financial information in the United States, may face a strong challenge on its home turf from Reuters.

So far, Telerate has been able to avoid serious competition by making partners out of potential domestic opponents, such as Dow Jones & Co. and Quorum Systems Inc., and analysts expect the company to increase international sales.

Reuters, which also operates an international news service, is expected to reap the equivalent of about \$1.4 billion from the influx of money, plus the possibility of attracting a major new source of credit-market information, could put Reuters in a position to increase its U.S. presence dramatically, analysts believe.

But the prospect of such a challenge does not intimidate the 36-year-old founder and president of Telerate, Neil S. Hirsch. "There is plenty of room for two companies in this market," he said. But he qualified that by saying "in order to do business in this market effectively, you have to have our system."

Telerate has 350 sources in the banking and securities community feeding it information on trades as they occur, which may involve as many as 500,000 price updates a day.

It has 8,000 viewing terminals on the desktops of financial institu-

tions in the United States, including all 100 of the country's largest banks and 46 of the 50 biggest securities companies.

The Telerate system reports the prices of practically every traded financial instrument on Wall Street. By doing so, it influences what securities are bought or sold.

Every 24 hours, except for a few hours on Saturday, it provides more than 10,000 electronic "pages" of data on, among other things, U.S. government securities, commercial paper, certificates of deposit, federal agency securities, foreign exchange, mortgage-market securities, precious metals, financial futures and energy quotes.

Three pages out of the 10,000 help bring in most of the money — seven, eight and nine. They give the bid and asked quotations of prices of bonds and notes. An asterisk appearing next to the bid or asked quote on an issue signals a just-completed trade. For this information alone, subscribers are willing to pay about \$540 a month.

The average rental income, however, is \$700 a month because of additional services, while the corresponding rate for Reuters in the United States is \$495.

Desmond Maberley, deputy manager and editor of Reuters in New York, said "there can't be a larger data base" than that offered by his company. Indeed, the London-based Reuters offers 10,500 pages of data every 24 hours on the more than 31,000 terminals it has on desks around the world.

Overseas, Reuters has terminals in nearly 10 times as many offices

as Telerate, which has 3,000 terminals outside the United States. But in the United States — where Reuters has about 3,000 terminals — Telerate has nearly a 3-to-1 lead.

William J. Rieger, an analyst at Dean Witter, said the market for electronic financial information in the United States and abroad has barely been touched, and that the potential international market is twice as large as the United States market.

He said Reuters has a broader data base on foreign transactions, but that Telerate could increase sales internationally because of the influence that U.S. interest rates have on other currencies.

The major barrier to new competitors is the relationship that Reuters and Telerate have to banks and brokerage houses, which give them quotes that are not available from any central exchange or market place. Since the banks and brokerage firms provide the information free — because it allows them to communicate with their clients — they have no incentive to give it to yet a third party.

Important to Telerate's pre-eminent position is the link it has to Cantor Fitzgerald, one of the five major U.S. brokers of government securities. Cantor acts as a middleman between the 36 primary dealers of government securities. It is the only one of the five major brokers that discloses price information on trades as they occur among the dealers. The other brokers only allow the primary trading group to see the price data.

The Justice Department is currently investigating the practices of the other four brokers for possible antitrust violations, and if they are required to give their quotations more exposure, additional competition could result.

While Reuters has an agreement with Newcomb Securities to provide government securities quotes in the United States, Newcomb is much smaller than Cantor and is not as widely followed for price data. But Reuters is expected to sign up three new government-securities contributors this month

and one of them could be a major broker. Should this occur, the differences in the services would narrow.

Mr. Maberley, of Reuters, said: "Our list of contributors is growing all the time. There is not a market we are not covering."

Meanwhile, Telerate is expanding its line of services to allow subscribers to do more than just read the numbers on the screen. The Telerate II "family of products," Mr. Hirsch says, is compatible with the personal computers made by International Business Machines Corp. With the new software, professional traders can make an up-to-the-minute yield analysis on government bonds and perform arbitrage calculations on foreign-exchange transactions.

Earnings are growing rapidly at both Reuters and Telerate. They soared 90 percent at Telerate in the fiscal fourth quarter and nearly doubled for the year, to \$20 million. Profits for all of Reuters's operations doubled in 1982, to £36.7 million (\$51.7 million at present exchange rates).

"La difference"



Audemars Piguet
la plus prestigieuse des signatures

Foreigners Drawn to Tokyo Market

(Continued from Page 7)

are working with such Japanese firms as Nomura and Daiwa.

"We work with American analysts who are interested in promoting specific Japanese stocks," Mr. Isoda said. "But you can't expect a lot of research information on the smaller issues, generally avoided by foreign investors."

And there is a difference in reporting earnings. Japanese companies tend to report only the consolidated earnings of a parent company, instead of including earnings of subsidiaries. That makes earnings look less, and the price-earnings ratio of stocks almost double their U.S. counterparts.

A new law, effective in March, will require that companies report all subsidiary earnings, which should lower price-earnings, or P-E, ratios by 20 percent, analysts say. Moreover, most companies report only annual or semiannual earnings, compared with Japanese companies listed on the New York Stock Exchange, which must report quarterly as well.

What Japanese companies can investors expect to do well in 1984?

TAIPEI — Taiwan has shelved a joint venture with Hino Corp., a subsidiary of Toyota Motor Corp. of Japan, to operate a heavy-duty vehicle plant because of its high cost, Economics Minister Chao Yao-tung said Monday.

The government has asked the Economics Ministry to reconsider the project's cost-effectiveness.

Taiwan Shelves Venture With Toyota Subsidiary

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Nomura's current recommendations include Matsushita Electric, the world's leading maker of videocassette recorders; Nissoku, which makes computerized telephones and whose stock jumped 226 percent last year; and Ito-Yokado, a retailing and restaurant chain, whose affiliates include the Japanese franchises of the 7-Eleven convenience stores and Denny's fast-food restaurants.

But the strength of Japan's markets may also lead to a price peak. "This year we have to be very selective," Mr. Sawa cautioned. "Many stocks are now carrying very high P-E's, and many have already performed very well. What we have to find now are fundamentally solid stocks."

Prudential-Bache also recommends small stocks like Fanuc, a leading maker of numerical control systems, whose price appreciated 169 percent last year; Kokusai Electric, a leading semiconductor equipment maker that went up 82 percent between last April and December, and Tokyo Electric, a major importer of semiconductor manufacturing equipment, that appreciated 98 percent last year.

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WHERE INTERNATIONAL RISK MEETS MANAGEMENT



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For over a decade, currency futures and the Chicago Mercantile Exchange's International Monetary Market have been synonymous with risk management worldwide. Now the CME brings a new tool — Deutsche mark options — to institutions and currency traders.

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Announcement

TWO LEADING DENTAL MANUFACTURERS JOINING FORCES

Menlo Park, California, January 12, 1984 — Unitek Corporation, Menlo Park, California, a subsidiary of Bristol-Myers Company, has entered into a license/sales agreement with Shofu Dental Corporation, Menlo Park, California, to distribute, effective immediately, Shofu's Crystar Porcelain System in international markets with the exception of the United States, Canada and Mexico.

UNITEK.

UNITEK CORPORATION

John E. Chester, President

SHOFU

SHOFU DENTAL CORPORATION

John S. Tanaka, President

RCA Says Net Climbed 45%

United Press International
NEW YORK — RCA Corp. reported its fourth-quarter net income rose to a record \$78.4 million, or 75 cents a share, from \$54 million, or 51 cents, in the corresponding year-earlier period. Revenue increased 17 percent to \$2.1 billion from \$1.8 billion in the fourth quarter of 1982. RCA said earnings were up 45 percent in 1983, on revenues of \$8.2 billion, from \$5.6 billion in 1982. Earnings included \$46.6 million in non-recurring gains. Not counting the gains, 1983 net increased 38 percent.

The chairman of RCA, Thomson Corp., said the 1983 results added up to an "outstanding year" and he said the company was well positioned for 1984. Annual sales of the NBC broadcasting unit topped \$2 billion for the first time, he said. The company said profits at NBC rose 45 percent from 1982 to 1983, a result of better prime time ratings and favorable market conditions. RCA said its consumer-electronics sales rose 10 percent for the fourth quarter and year. Sales were noted in all major video categories, including television, video cameras, and video disc players. The company said its Home Cinema line of products and services had a record 1983 revenue and competitive pressures.

Stock RCA's stock rose 1 1/2 points to 28 1/2 in New York. The company's stock was up 1 1/2 points in New York. The company's stock was up 1 1/2 points in New York.

Div. Yld. PE RCA's stock had a dividend yield of 1.2 percent and a price-earnings ratio of 12.5.

High Low RCA's stock traded between 27 1/2 and 29 1/2 in New York.

Volume RCA's stock had a volume of 1.2 million shares in New York.

Open RCA's stock opened at 28 1/2 in New York.

Close RCA's stock closed at 28 1/2 in New York.

Change RCA's stock changed by 1 1/2 points in New York.

Net Income RCA's net income was \$78.4 million in the fourth quarter.

Revenue RCA's revenue was \$2.1 billion in the fourth quarter.

Profit RCA's profit was \$78.4 million in the fourth quarter.

Share RCA's share was 75 cents in the fourth quarter.

Year RCA's year was 1983 in the fourth quarter.

Quarter RCA's quarter was the fourth in 1983.

Period RCA's period was the fourth quarter of 1983.

Time RCA's time was the fourth quarter of 1983.

Place RCA's place was the fourth quarter of 1983.

Country RCA's country was the fourth quarter of 1983.

City RCA's city was the fourth quarter of 1983.

State RCA's state was the fourth quarter of 1983.

Zip RCA's zip was the fourth quarter of 1983.

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ADVERTISEMENT INTERNATIONAL FUNDS

The net asset value quotations shown below are supplied by the Funds. The following fund symbols indicate frequency of quotations supplied by the INT: (a) - daily; (b) - weekly; (c) - bi-monthly; (d) - quarterly; (e) - irregularly.

ALMA MANAGEMENT CO. SA	141.87	SOFO GROUP CENIFA	137.30
(a) - daily		(a) - daily	
BANK JULIUS BAER & CO. L	100.00	UNION BANK OF SWITZERLAND	100.00
(a) - daily		(a) - daily	
BANK VON ERNST & CIE AG	100.00	UNION INVESTMENT FRANKF	100.00
(a) - daily		(a) - daily	
BANK VON ERNST & CIE AG	100.00	UNION INVESTMENT FRANKF	100.00
(a) - daily		(a) - daily	
BANK VON ERNST & CIE AG	100.00	UNION INVESTMENT FRANKF	100.00
(a) - daily		(a) - daily	

BRITANNIA, POB 271, St. Helier, Jersey	100.00	Other Funds	100.00
(a) - daily		(a) - daily	
BRITANNIA, POB 271, St. Helier, Jersey	100.00	(a) - daily	
(a) - daily		(a) - daily	
BRITANNIA, POB 271, St. Helier, Jersey	100.00	(a) - daily	
(a) - daily		(a) - daily	

CHARTER LINES, Grand Turk Island	100.00	Other Funds	100.00
(a) - daily		(a) - daily	
CHARTER LINES, Grand Turk Island	100.00	(a) - daily	
(a) - daily		(a) - daily	
CHARTER LINES, Grand Turk Island	100.00	(a) - daily	
(a) - daily		(a) - daily	

CAPITAL INTERNATIONAL	100.00	Other Funds	100.00
(a) - daily		(a) - daily	
CAPITAL INTERNATIONAL	100.00	(a) - daily	
(a) - daily		(a) - daily	
CAPITAL INTERNATIONAL	100.00	(a) - daily	
(a) - daily		(a) - daily	

CREDIT SUISSE (ISSUE PRICES)	100.00	Other Funds	100.00
(a) - daily		(a) - daily	
CREDIT SUISSE (ISSUE PRICES)	100.00	(a) - daily	
(a) - daily		(a) - daily	
CREDIT SUISSE (ISSUE PRICES)	100.00	(a) - daily	
(a) - daily		(a) - daily	

FIAT, POB 271, St. Helier, Jersey	100.00	Other Funds	100.00
(a) - daily		(a) - daily	
FIAT, POB 271, St. Helier, Jersey	100.00	(a) - daily	
(a) - daily		(a) - daily	
FIAT, POB 271, St. Helier, Jersey	100.00	(a) - daily	
(a) - daily		(a) - daily	

INTERNATIONAL INCOME FUNDS	100.00	Other Funds	100.00
(a) - daily		(a) - daily	
INTERNATIONAL INCOME FUNDS	100.00	(a) - daily	
(a) - daily		(a) - daily	
INTERNATIONAL INCOME FUNDS	100.00	(a) - daily	
(a) - daily		(a) - daily	

LOVING BANK INTL, POB 271, St. Helier, Jersey	100.00	Other Funds	100.00
(a) - daily		(a) - daily	
LOVING BANK INTL, POB 271, St. Helier, Jersey	100.00	(a) - daily	
(a) - daily		(a) - daily	
LOVING BANK INTL, POB 271, St. Helier, Jersey	100.00	(a) - daily	
(a) - daily		(a) - daily	

PARIS BANK GROUP	100.00	Other Funds	100.00
(a) - daily		(a) - daily	
PARIS BANK GROUP	100.00	(a) - daily	
(a) - daily		(a) - daily	
PARIS BANK GROUP	100.00	(a) - daily	
(a) - daily		(a) - daily	

ROYAL BANK OF CANADA, POB 271, St. Helier, Jersey	100.00	Other Funds	100.00
(a) - daily		(a) - daily	
ROYAL BANK OF CANADA, POB 271, St. Helier, Jersey	100.00	(a) - daily	
(a) - daily		(a) - daily	
ROYAL BANK OF CANADA, POB 271, St. Helier, Jersey	100.00	(a) - daily	
(a) - daily		(a) - daily	

SWISS BANK CORP.	100.00	Other Funds	100.00
(a) - daily		(a) - daily	
SWISS BANK CORP.	100.00	(a) - daily	
(a) - daily		(a) - daily	
SWISS BANK CORP.	100.00	(a) - daily	
(a) - daily		(a) - daily	

UNION BANK OF SWITZERLAND	100.00	Other Funds	100.00
(a) - daily		(a) - daily	
UNION BANK OF SWITZERLAND	100.00	(a) - daily	
(a) - daily		(a) - daily	
UNION BANK OF SWITZERLAND	100.00	(a) - daily	
(a) - daily		(a) - daily	

UNION INVESTMENT FRANKF	100.00	Other Funds	100.00
(a) - daily		(a) - daily	
UNION INVESTMENT FRANKF	100.00	(a) - daily	
(a) - daily		(a) - daily	
UNION INVESTMENT FRANKF	100.00	(a) - daily	
(a) - daily		(a) - daily	

UNION INVESTMENT FRANKF	100.00	Other Funds	100.00
(a) - daily		(a) - daily	
UNION INVESTMENT FRANKF	100.00	(a) - daily	
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UNION INVESTMENT FRANKF	100.00	(a) - daily	
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UNION INVESTMENT FRANKF	100.00	Other Funds	100.00
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(a) - daily		(a) - daily	

UNION INVESTMENT FRANKF	100.00	Other Funds	100.00
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UNION INVESTMENT FRANKF	100.00	(a) - daily	
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UNION INVESTMENT FRANKF	100.00	(a) - daily	
(a) - daily		(a) - daily	

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Digital Says Net Up 32% On Sales Rise in Quarter

The Associated Press
MAYNARD, Massachusetts — Digital Equipment Corp., confirming an earlier estimate, said Monday its fiscal second quarter profit climbed 32 percent from a year earlier on a 40 percent revenue gain. In the quarter ended Dec. 31, Digital said profit rose in \$80.5 million, or \$1.41 a share, from \$61 million, or \$1.08 a share, a year earlier. Revenue rose to \$1.42 billion from \$1.02 billion.

Another major computer maker, Burroughs Corp., said it swung from a \$15.6-million loss a year ago to an \$81.4-million profit in the latest quarter. But Prime Computer Inc. said fourth-quarter earnings fell 18 percent from a year earlier, despite a 21 percent sales increase. For the first six months of its fiscal year, Digital said net income was down 18 percent to \$96.3 million, or \$1.68 a share, from \$117.8 million, or \$2.09 a share, a year earlier. Six-month revenue rose 28 percent in \$2.5 billion.

"I'm confident...that the company can sustain the momentum established in the quarter," Digital's president, Kenneth H. Olsen, said. Detroit-based Burroughs said its 1983 fourth-quarter profit was \$1.81 a share, compared with a year earlier, when accounting charges

and other adjustments left it with a \$15.6 million loss. Revenue rose 17 percent to \$1.31 billion. For the full year, Burroughs' profit surged 67 percent to \$196.9 million, or \$4.60 a share, from \$117.6 million, or \$2.80 a share, in 1982. Revenue climbed 4 percent to \$4.39 billion from \$4.19 billion. "The continuing improvements in our profitability and the success of our asset-management programs are very encouraging," W. Michael Blumenthal, Burroughs' chairman and former Treasury secretary, said.

Prime, a minicomputer maker based in Norick, Massachusetts, said fourth-quarter profit fell to \$10 million, or 21 cents a share, from \$12.2 million, or 26 cents a share, a year earlier. Revenue rose to \$142.8 million from \$118.3 million. Full-year net income was off 28 percent to \$32.5 million, or 68 cents a share, from \$44.5 million, or 99 cents a share, in 1982. Revenue rose to \$516.5 million from \$435.8 million.

Despite the year-to-year declines, the fourth-quarter results "show substantial progress from the third quarter in terms of revenue growth, profitability and management of expenses," Joe M. Hanson, president and chief executive, said in a statement.

Singapore Link With London Futures Seen

Reuters
SINGAPORE — Singapore's new financial-futures exchange is looking into the long-term possibility of a linkup with London, monetary officials here said Monday.

The Singapore International Monetary Exchange will launch a financial-futures market linked with the Chicago Mercantile Exchange on May 2. The officials said that a link-up with the London International Futures Exchange would help bridge a 14-hour gap between Singapore and Chicago.

A mutual offset arrangement between the three exchanges would enable operators to better manage overnight risks and take advantage of price movements around the clock, they said.

But they added that there are no plans for a link-up with the London exchange before the Singapore-Chicago mutual offset system is fully established. The Singapore exchange also is looking into the possibility of adding stock index futures based on Japanese securities, the monetary officials said.

Senator Acts to Delay Phone Charges

By Norman Black
The Associated Press
WASHINGTON — Senator Bob Packwood vowed Monday to pursue legislation that would force additional delays in the introduction of telephone "access charges" on consumers.

The Oregon Republican, who with the backing of various consumer groups is sponsoring a bill calling for a two-year moratorium on such fees, said at a news conference that he did not trust the Federal Communications Commission to delay the controversial fees until Congress had reviewed them.

"Legislation is the only way we can guarantee the access charges will not go into effect immediately," said Mr. Packwood, the chairman of the Senate Commerce Committee.

Last week, the FCC decided to postpone the introduction of access charges until the middle of 1985. But the delay was described by the president of a public-interest group, Public Citizen, Joan Claybrook, as "a blatant political maneuver" meant to stop Senate approval of Mr. Packwood's bill.

"The FCC decision is an attempt to remove the issue of skyrocketing telephone rates from election-year politics," she said. This view was endorsed by Mr. Packwood.

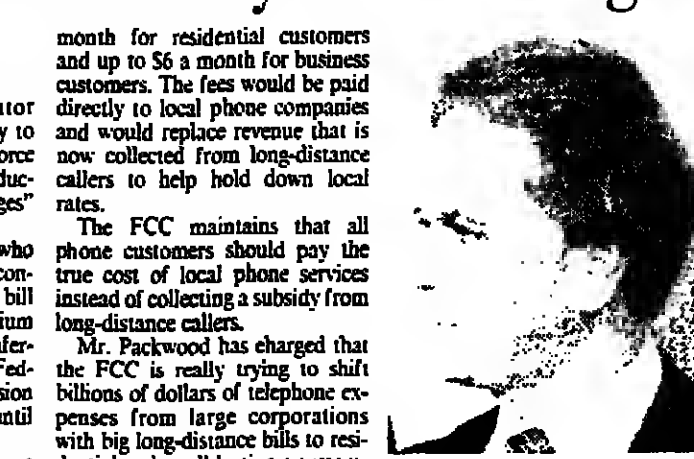
The access charges had been scheduled to take effect in April. They would begin at the rate of \$2 a month for residential customers and up to \$6 a month for business customers. The fees would be paid directly to local phone companies and would replace revenue that is now collected from long-distance callers to help hold down local rates.

The FCC maintains that all phone customers should pay the true cost of local phone services instead of collecting a subsidy from long-distance callers. Mr. Packwood has charged that the FCC is really trying to shift billions of dollars of telephone expenses from large corporations with big long-distance bills to residential and small-business customers who make much fewer long-distance calls.

Residential and business access charges together will generate about \$3.5 billion in the first year, according to the FCC. Mr. Packwood refused to predict whether his bill would pass the Senate. He said he would, however, press for "a vote of some kind."

As part of the campaign for Senate action, Miss Claybrook said hundreds of organizations and public officials in 34 states had joined a new "Campaign for Affordable Phones."

She said the group had collected more than 465,000 signatures on petitions calling for Congress to stop the FCC's introduction of the fees and would stage more than 40 events across the country this week.



Senator Bob Packwood

GM's Sales in Europe Reportedly Hit Record

Reuters
DETROIT — General Motors Corp.'s sales in Europe rose to a record last year, a U.S. trade paper, Automotive News, has reported. The chairman of GM's Adam Opel, Ferdinand P. Beickler, said sales of Opel and Vauxhall autos rose 23 percent to 1,170,000 last year, 150,000 higher than the previous high in 1978, according to the report. Mr. Beickler forecast GM sales in Europe for 1984 of more than 1.2 million, close to a market share of 12 percent.



The Bankers Trust philosophy at work, for Procter and Gamble de Mexico.

